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p.16 A confusing time for UK merger makers

WEEKEND BRIEF Illusion of an America's Cup p.15

BOOKS p.10 The state of poetry today

NEWS SUMMARY

GENERAL

Kent Kirk fined £30,000

Danish trawler owner Kent Kirk was fined £30,000 yesterday after North Tyneside magistrates found him guilty of a "flagrant and deliberate" breach of British fishing laws.

Mr Kirk used his vessel Sand Kirk to fish within Britain's new 12-mile limit and test the regulation's legality.

He said he would appeal to the High Court and, if necessary, the European Court in Luxembourg. Page 3

UK 'would sign'

Foreign Secretary Francis Pym said Britain is prepared to sign a non-aggression pact with the Soviet Union. Back Page

Spending review

U.S. Defence Secretary Caspar Weinberger agreed at a White House meeting to try to trim next year's record $247bn (£153.6bn) Pentagon budget.

Water offer 'no'

Water workers voted by four to one to reject a 4 per cent pay offer and for industrial action. Back Page

Blackpool call

Coroner John Budd called for an independent inquiry into life-saving equipment in Blackpool after a policeman drowned on Wednesday. Three other people are missing presumed dead.

Irish prices up

The Irish Government unexpectedly raised drink, tobacco and fuel prices ahead of the February 9 budget.

Grenades found

Four Soviet F1 military issue grenades were found hidden in a car stopped at a road block in Co. Armagh, Northern Ireland.

Bonn election

West Germany's parliament was dissolved and a general election called for March 6. Page 2

19 Lebanese die

Nineteen people were killed in the eighth day of factional fighting in Tripoli, Lebanon. In an ambush near Beirut 18 Israeli soldiers were hurt.

Scargill protest

Miners' union staff picketed the London headquarters in protest at "dictatorial behaviour" by miners' leader Arthur Scargill. Page 4

Australia's Ashes

Australia regained the Ashes, clinching the five-test cricket series 2-1 after a final-match draw.

Briefly . . .

National Trust is to take over Fountains Abbey, North Yorks.

Two Soviet diplomats based in Geneva were expelled for spying.

Body of a baby boy was recovered from the Thames in east London.

Landmine killed six South African soldiers in the north-western Namibia area.

BUSINESS

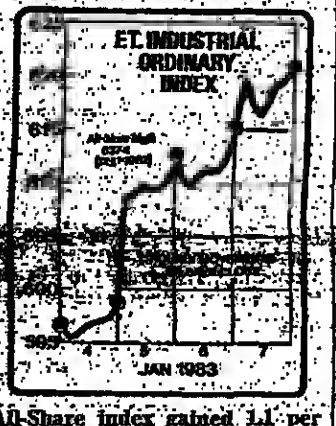
Advance for gold; equities up 5.9

● GOLD rose $11.5 to $465.5 in London. In New York the Comex February settlement was $469.5 ($456.5). Page 19

● STERLING edged up 20 points to $1.6105. But it fell to DM 3.76 (DM 3.775), FFr 10.67 (FFr 10.7175), SwFr 3.115 (SwFr 3.1525) and Y368.75 (Y369.25). Its trade-weighted index was 82.5 (82.9). Page 19

● DOLLAR fell to DM 2.335 (DM 2.347), FFr 6.6275 (FFr 6.6625), SwFr 1.9345 (SwFr 1.9595) and Y229 (Y229.6). Its trade-weighted index was 116.9 (117.1). Page 19

● EQUITIES rose. The FT Industrial Ordinary index added 5.9 to 621.0. The FT-Actuaries



All-Share index gained 1.1 per cent to 396.42, a record for the third successive day. Page 22

● GILTS fluctuated with sterling, but losses were reduced after-hours. Page 22

● WALL STREET was up 6.71 to 1,077.63 near the close. Page 18

● ZAMBIA suspended payments of principal on external debts and devalued the kwacha by 20 per cent. Page 2

● BRAZIL signed its letter of intent to the IMF, applying for a three-year loan of about $4.9bn (£3.06bn). Back Page

● U.S. JOBLESS rate rose to 10.8 per cent last month, a 42-year high. Page 2

● ISRAEL Stock Exchange chairman Meir Heth resigned after board members criticised his call for more stringent rules to combat manipulation. Page 2

● FARMERS may receive further relief from capital transfer tax in the Budget, Chief Secretary to the Treasury Leon Brittan hinted. Page 3

● FORD told unions that it expects to cut its Halewood plant workforce by 1,300 by April. Back Page

● BRITISH AEROSPACE Dynamics and Blohm and Voss, West German shipbuilder, signed an agreement that could lead to joint Anglo-German production of weapon systems for merchant ships. Page 3

● PHILLIPS PETROLEUM of the U.S. made a $1.14bn (£629m) offer for General American Oil Company of Texas, saving it from a smaller bid from Mesa Petroleum. Page 18

● RAYBECK, clothing retailer and manufacturer, turned in pre-tax losses of £761,000 in the 27 weeks to October 30, against profits of £256,000. Page 16

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
AB Electronic	520	+ 33	Sidlaw	314	+ 18
Assoc. Newspapers	150	+ 12	Thorn EMI	445	+ 12
BAT Inds.	677	+ 30	Utd. Biscuits	138	+ 8
Bowater	170	+ 9	Wilkes (J.)	262	+ 42
Brit. Printing	90	+ 7	Wolseley-Hughes	585	+ 40
Comet	290	+ 13	Yorks. Chemicals	50	+ 5
Dividend Stylus	16	+ 5	Jackson Exploration	250	+ 17
Fidelity Radio	107	+ 8	Charter Cons.	250	+ 12
Fleming Japanese	379	+ 11	Elandsrand	573	+ 27
Grosvenor	33	+ 5½	Impala Platinum	580	+ 30
GKN	126	+ 6	MIM	253	+ 15
Horizon	192	+ 11	Mount Carrington	47	+ 7
Lond. Scot. Finance	53	+ 6	Poseidon	385	+ 8
Meyer Intl.	116	+ 6	Randfontein Ests.	£83⅞	+ 1⅞
Mount Charlotte	35½	+ 4½	RTZ	520	+ 38
Notts. Mnfg.	226	+ 8	FALLS		
Phillips Lamps	725	+ 48	Legal and General	342	− 8
Plessey	642	+ 17	Manor Nat. 10½pcPf	43	− 30
Polly Peck	228	+ 31	Nimslo	100	− 20
Samuelson	385	+ 40	Raybeck	30	− 3

Lucas and Smiths in joint venture talks

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

TWO OF BRITAIN'S leading motor component manufacturers, Lucas Industries and Smiths Industries, have opened talks which could bring a joint venture to give the UK a lead in providing a full range of electronic systems for the automotive industry.

Both sides stressed last night that discussions were still at an "exploratory" stage. But talks are thought to have been under way for some months, and to have involved the Department of Industry, which would be required to make a contribution to funding new investment.

One option could be for Lucas's Electrical Division and Smith Industries to form a joint company for the venture, though not necessarily on a 50-50 basis. Such a company could have a first-year turnover of more than £50m, rising rapidly.

There is an industrial logic to such co-operation. In the UK automotive industry, Lucas is dominant in provision of ignition equipment, and Smiths in supply of instrument systems and display panels.

Together the two companies would offer a complete range of electronic control systems.

"That capability is what the vehicle-manufacturers worldwide are looking for," one top industry executive said last night. The motor industry generally sees a need for a package of electronic systems to control fuel consumption, exhaust emission and various safety factors.

There is a need, too, for investment in the UK industry to meet international competition, particularly from Japan and companies such as Bosch, in West Germany, and Ford, and General Motors.

In a joint statement Lucas and Smiths said discussions were taking place "with a view to exploring co-operation on vehicle ignition, electronics for fuel systems, vehicle-condition monitoring, instrument systems and displays, sensors and transducers."

Both companies were committed to increase European market share by achieving "more competitive unit costs."

Of great importance was the "implication of the accelerating rate of technological change in the relevant products, particularly the application of microprocessor-based systems for control and information display in vehicles."

The statement, emphasising that discussions were exploratory, said: "No further statement should be expected for the time being."

Shares in both companies rose 3p yesterday, Lucas closing at 140p and Smiths at 386p.

Any form of co-operation between Lucas and Smiths, because of their dominant UK market position, would be bound to arouse interest by the European Commission.

The Government would be likely to argue that any restructuring would strengthen the European components industry in world markets.

The Department of Industry, while maintaining a non-interventionist stance, is believed to have told the leading UK motor component companies that assistance is available for investment under new technology aid schemes and the Industry Act.

Lucas is already a contender for such aid with its plans to launch a lightweight generation of starter motors and alternators. This would involve a

Continued on Back Page

Korf parent seeks court protection from creditors

BY STEWART FLEMING IN FRANKFURT

KORF INDUSTRIE und Handel, holding company for the worldwide operations of Herr Willy Korf, the West German steel entrepreneur, has been forced to seek court protection from creditors, leaving major banks facing heavy write-offs on domestic debts of DM 400m (£107m).

The financial collapse follows frantic efforts in recent weeks by the 53-year-old entrepreneur to raise funds. Bankers, the West German Government and the Government of Kuwait, however, have been unwilling to pump funds into the stricken empire.

Korf Industrie holds a majority of the shares in two main operating subsidiaries. Korf Stahl of West Germany and Korf Industries of the U.S. In both subsidiaries Kuwait has 30 per cent stakes.

The holding company said yesterday that neither subsidiary was directly affected by the court proceedings. Bankers privately concede, however, that the operating companies face a race against time to escape the collapse of their parent. The whole group has about 10,000 employees world-wide, annual sales of DM 2.8bn and annual output of 2.7m tonnes.

Korf Industrie decided to begin debt-composition proceedings (Vergleich) to ease the group's financial burdens and win time for the operating subsidiaries to improve their performance. Vergleich could involve creditors such as Dresdner Bank and Bank fur Gemeinwirtschaft giving up 60 per cent of their claims.

Next week a West German Government-appointed consultancy group is expected to release a report on the structure of the country's steel industry. It is hoped a way will befound to weld Korf's operations into a restructured industry.

Herr Korf always has worked as a maverick, outside the mainstream of the German steel industry, often to the discomfort of its conservative establishment.

Herr Korf, one of the country's most remarkable and flamboyant post-war entrepreneurs, founded the holding company in 1955. He based his strategy on small and specialised plants using a technique of direct reduction of iron ore rather than traditional blast-furnace methods.

For many years the flexibility of this strategy allowed him to cope with dramtic changes in the market. The company was often profitable and expanding while rivals struggled with the

Continued on Back Page

New Zealand invites steel plant tenders, Page 2

Tough import curbs by Nigeria

BY PAUL CHEESERIGHT AND QUENTIN PEEL

NIGERIA HAS introduced sweeping import restrictions, including a series of sharp tariff increases, designed to cut its import bill after the slump in demand for its oil exports.

More than 150 categories have been added to the list of goods subject to import licensing, including all industrial machinery and construction equipment, plastic goods and electrical accessories.

The aim of the new measures, announced in a special government gazette in Lagos this week, is to cut Nigerian imports by 30 per cent from the present level of about 900m naira (£825m) a month to about N600m (£550m)—the target set in President Shehu Shagari's 1983 budget. They are also intended to provide greater protection for local manufacturing.

The moves will hit British exports to Nigeria, which are expected to total more than £1.2bn in 1982. The country is still Britain's most important national export market outsido Europe and the U.S. in spite of a 20 per cent reduction last year of the £1.5bn sales in 1981.

The imports curbs will work in three ways:—

Some items, such as luxury cars, are prohibited altogether. The existing list of fewer than 100 items which require import licences is being extended by more than 150 items. Tariffs on selected imports are being raised—in some cases doubled or even tripled.

Items which now need import licences include fabricated building materials, plastic goods, electrical accessories, engines and engine parts, industrial machinery, compressors, textile machinery and construction equipment.

The Government has changed its customs tariff to create new categories for such items as detergents and soaps, and impose a 100 per cent duty, compared with 30 per cent previously. Raw materials used in parts of the plastics industry have had duty raised from 30 to 50 per cent. The duty for fabricated structural steel is raised from 40 to 60 per cent, and on refrigerators from 50 to 100 per cent.

Business people predicted last night that the new regulations would soon cause confusion among the licensing authorities in Lagos, because of the vagueness of product definition—"industrial machinery," for instance.

Such confusion, it was suggested, would not only delay decisions in an already over-burdened and inefficient bureaucracy, but would in itself meet the Government's aim to retard imports.

However, clarification is expected from the Nigerian Ministry of Commerce—which issues import licences—and the Customs department in the near future.

Nigeria first announced extensive import restrictions last April, after its oil production had fallen to fewer than 1m barrels a day (b/d), compared with more than 2m b/d in January 1981. However, it has been unable to bring the value of imports down to the target of N800m (£734m) a month set at the time. President Shagari has reduced the target to N600m in 1983 and initiated the latest measures.

Zambia suspends debt payment, Page 2

Brazil accepts IMF conditions, Back Page

Government hopes Honda will take BL stake

By John Elliott, Industrial Editor

THE BRITISH GOVERNMENT is in favour of Honda taking a financial stake in BL to expand the collaborative arrangements between the two companies.

Mr Patrick Jenkin, Industry Secretary, is prepared to pledge his support for such a move when he meets senior Honda executives during a visit to Japan in 10 days.

Mr Jenkin leaves on Tuesday for a two-week visit to the Far East. He also hopes to have talks which will increase the chances of GEC and Balfour Beatty obtaining orders worth about £600m for the Guangdong nuclear power station in southern China.

BL and Honda are discussing ways of expanding their collaboration, and Mr Jenkin said yesterday the Government would favour the Japanese company taking a financial stake, if this was acceptable to BL.

"If BL and Honda want to develop their collaboration into such an arrangement then that is something that Her Majesty's Government, as the main owner of BL, would be very willing to see happening," he said.

Mr Jenkin has made it clear that he wants the private sector's stake in BL to be increased considerably in the next two years. The Industry Department believes that the viability of BL would be increased by closer ties with Honda, which has already indicated an interest in some form of capital participation. However, there is no question of BL being sold to the Japanese.

Mr Jenkin said yesterday that a Honda stake in the Austin Rover volume car division or in a joint venture was possible.

What seems most likely at present is the formation of a joint company for a specific venture such as a luxury car project code-named "XX," on which the two companies are now finalising negotiations.

Mr Jenkin hopes to make some progress on the Guangdong power station project

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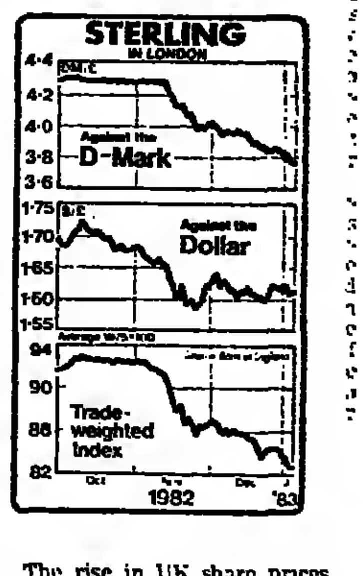
Ford axes Halewood jobs, Back Page

Sterling ends week in fragile state

BY WILLIAM HALL, BANKING CORRESPONDENT



STERLING OPENED sharply lower on the world's foreign exchange markets yesterday morning and, although it recovered later in the day, it ended the week in a fragile state. Its trade weighted index, as measured by the Bank of England, fell 0.4 to 82.5—its lowest level for nearly four years.

With a softer trend in U.S. interest rates contrasting with a slightly firmer tone in UK money market rates currency dealers are perplexed by sterling's continued weakness.

One senior foreign exchange dealer said that sterling had started off "on its knees" yesterday morning. "We were down to $1.59½ and our value against the D-Mark dropped below DM3.75."

He noted that there had probably been some official support early yesterday morning but it did not compare with Thursday when the Bank of England had stepped into stem fairly heavy selling of sterling.

The pound closed 20 points up against the U.S. currency at $1.6105 but fell from DM 3.7750 to DM 3.76 and FFr 10.67 against FFr 10.7175.

The U.S. dollar also fell against most major currencies as rumours mount that the U.S. discount rate is about to be cut. It fell from DM 2.3470 to DM 2.3350, its lowest level since last May. It also fell against the Japanese Yen, slipping from Y229.60 to Y229.

The weakness of sterling and the U.S. dollar contrasted with the performance of share prices on the world's major stock exchanges. In Tokyo, the Japanese stock market hit a new peak with Nikkei Dow rising for the ninth successive session. It rose 48.78 to close at 8169.29.

In early trading the New York stock market continued to push into new high ground with the Dow Jones Industrial Average up 6.71 at 1,077.63 near the close.

UK equity prices moved ahead again yesterday helped by Wall Street's overnight strength. The FT All-Share hit a new peak for the third day running, closing 1.1 per cent higher at 396.42. The FT 30-share index rose 5.9 to 621.0—still some 16 points short of its all-time peak reached last November.

The rise in UK share prices is being tempered by continued nervousness about the future direction of interest rates given the renewed weakness in sterling which has characterised the first week of the New Year.

Since UK bank base rates were lifted by between 1 and 1½ percentage points in November, the pound's effective exchange rate has fallen by nearly 5 per cent. Against the D-Mark it has fallen from DM 4.0 to DM 3.76 and against the French currency, which has also been under pressure in the international markets, it has fallen from FFr 11.3 to FFr 10.67. By contrast, its rate against the U.S. dollar is virtually unchanged.

Richard Lambert adds from New York: Share prices on Wall Street continued to move higher yesterday morning in heavy trading. The rise was accompanied by a further easing in short term interest rates. The key federal funds had fallen by about half a point to 8 per cent by the early afternoon.

Money markets, Page 19

£ in New York

	Jan. 6	Previous
Spot	$1.6040-6050	$1.6240-6250
1 month	0.23-0.20 dis	0.19-0.17 dis
3 months	0.63-0.60 dis	0.52-0.47 dis
12 months	1.65-1.55 dis	1.25-1.15 dis

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For latest Share Index phone 01-246 8026

KWACHA DEVALUED BY 20%

Zambia suspends debt-principal payments

BY MICHAEL HOLMAN IN LUSAKA

ZAMBIA yesterday announced suspension of payments of principal of its external debts and a 20 per cent devaluation of the kwacha. However, it will continue to pay interest on its external debt.

The devaluation is likely to pave the way towards early agreement with the International Monetary Fund (IMF) on a one-year SDR 211.5m (£126.9m) stand-by facility.

This in turn will provide creditors with a degree of reassurance that Zambia is making every effort to bring its economic crisis under control.

The devaluation, which has been widely expected, is little under half what the fund have been demanding. But Zambia has also introduced other measures in consultation with the IMF, including the recent lifting of most price controls, raising agricultural producer prices in mid-year, and gradually reducing food and other subsidies.

This package, which will be followed by a tough debate at the end of this month, is regarded by most observers as sufficient to secure agreement on the facility.

Nor will the move towards rescheduling of external debts take creditors by surprise. An authoritative report circulated towards the end of last year calculated that in 1982, total debt service including IMF obligations, came to Kwachas 454.7m (£301m) or 47.6 per cent of export earnings.

Zambia is the world's fifth largest copper producer and second in cobalt output. These two minerals provide 98 per cent of export earnings, but low prices over the past few years have had a devastating impact on the Zambian economy.

Government revenue from mining has shrunk from 58 per cent of income in 1974 to little or nothing since 1975.

The most serious indicator of the country's difficulties has been the steady rise in arrears in payments to suppliers, and delays in remittance of profits and dividends. The total now exceeds kwachas 650m, stretching back some two years.

In May last year, Zambia reached agreement on an SDR 800m extended fund facility over three years, but the programme broke down after SDR 300m had been drawn. The Government proved unable to meet programme targets, including reduction in arrears and limits on government borrowing.

One of the largest single creditors is China, owed kwachas 290m, the bulk of which was a loan for the construction of the Tanzania-Zambia railway.

Repayments by the two countries were due to begin this year, but Presidents Kenneth Kaunda of Zambia and Julius Nyerere of Tanzania are expected to raise the question of postponement during their talks with Zhao Zhiyang, the Chinese Premier, who is currently visiting the region.

Western government creditors include the U.S., (kwachas 106m); the UK (kwachas 108m); and West Germany (kwachas 136m). The largest single institutional creditor is the World Bank (kwachas 334.4m).

Kaunda holds out little hope of improvement

BY MICHAEL HOLMAN IN LUSAKA

HISTORY is repeating itself in Zambia, in a way which provokes grudging admiration for the tenacity of its politicians but evokes despair at the prospects for the future.

Five years ago President Kenneth Kuanda annouoced that his country's financial position was so critical that "if we don't take action we will perish."

He was speaking shortly after a private session with a visiting team from the International Monetary Fund (IMF), with whom he had no doubt reviewed the devastating impact of low copper prices on an economy which depends on the mineral for around 90 per cent of its export earnings.

Dr Kuanada, facing elections a year later, was as good as his word. The toughest budget since independence in 1964 followed the next month—subsidies were cut, government spending reduced, taxes increased and import controls tightened.

A few weeks later the Kwacha, Zambia's currency, was devalued 10 per cent and the Government announced an SDR 250m IMF standby loan.

If anything, Zambia's present economic position is more critical than it was five years ago. Copper prices have been at their lowest level for 50 years, and the giant state-owned Zambia Consolidated Copper Mines has introduced wide-ranging economies.

Arrears in trade and other payments have climbed to Kwachas 650m (£433m)—around two-thirds of annual exports—stretching back two years. External debt servicing is reaching intolerable levels.

Presidential and parliamentary elections are due later this year and the country awaits the outcome of the latest round of negotiations with the IMF. An SDR 800m (£546.4m) three-year programme collapsed early last year after only SDR 300m had been drawn. But the IMF was back in Lusaka last November for discussions about a one-year SDR 211.5m stand-by credit. This now looks almost certain in the wake of yesterday's devaluation and a tough budget is likely to follow at the end of this month.

Zambians began the new year with the news that price controls on most commodities had been lifted to help loss-making state-owned companies get back on an economic footing, but the move will mean that the cost of living will rise.

Although these tough measures make sound economic sense, the average Zambian is finding life tougher, whether measured by the purchasing

Kaunda . . . tough budget

power of wages, or the availability of goods in the country's shops. Real gross domestic product per head today, says a recent economic report, is about half its level in 1965, the year after independence.

Nor is there any short-term prospect that Zambians will be better off. Barring a dramatic increase in the copper and cobalt price, times will get harder and tough import and travel curbs now in force will not be relaxed.

It would seem an unpromising state of affairs for the ruling United National Independence Party (Unip) to put to the electorate, expected to go to the polls in the last quarter of 1983.

Yet Dr Kaunda's position may not be as weak as it appears. As in 1978, when he won a resounding vote of confidence, the party faces no serious constitutional challenge in the months ahead. The once formidable trade union challenge has abated and there is no evident national alternative to Dr Kaunda within or outside party ranks.

Relations with the labour movement, which reached a dangerous nadir early last year when a wave of strikes hit the copperbelt and leading unionists were detained, have improved although they are not cordial.

But neither side wishes at this stage to renew a conflict which represented a clash between the socialist doctrine of Unip and the mixed economy stance of the unions—with undertones of muscle-flexing among the Bemba people, who dominate the copperbelt.

Mr Frederick Chiluba, the Zambia Congress of Trade Unions chairman, who was among those detained, is a man in his early forties (and a Bemba) who may well have come to the conclusion that he should bide his time.

If Mr Chiluba does have political ambitions, he is not revealing them at this stage, and the net result is that Dr Kaunda continues to dominate the political stage.

Undoubtedly his personal standing has diminished, with many Zambians, who once blamed the country's problems on the poor calibre of many ministers and Unip central committee members, now wondering whether the responsibility is not ultimately the President's.

Yet he remains a major Southern African leader who was willing to risk opprobrium when he met Mr P. W. Botha, the South African Premier early last year. In addition President Dos Santos of Angola thought it was worth personally briefing Dr Kaunda the day before Angolan and South African Ministers met in Cape Verde to discuss Namibia.

And even disillusioned Zambians look at the region—where Mozambique is fighting South African-backed dissidents, Angola is battling South Africans in the south, Tanzania is in a desperately impoverished state and Zimbabwe suffers from acute tribal tensions—and count their blessings.

Rothko art battle ends with a flourish

By Paul Betts in New York

ONE OF THE most complex and spectacular court cases in the history of modern art, which has kept the international community of art dealers and collectors on tenter-hooks for more than a decade, has just ended in an appropriately theatrical fashion.

Mr Frank Lloyd, the flamboyant 71-year-old British art dealer who transformed the Marlborough Galleries into a $30m (£18.8m) a year international art business, has been finally sentenced by a New York judge for tampering with evidence in a long legal battle against him over the estate of Mark Rothko, the American painter who committed suicide in 1970.

Mr Lloyd could have faced up to four years in prison. But the judge instead sentenced the art dealer to set up a scholarship fund and organise special art lectures and cultural programmes for high school students in New York City.

Justice Herbert Altman said no useful purpose would have been served by sending the art dealer to prison.

Mr Lloyd had been convicted by a jury in a state supreme court in Manhattan on December 4 on three counts of tampering with evidence in a lawsuit brought against him and his gallery by the heirs of the late Mark Rothko.

Mr Lloyd had earlier been indicted back in 1977 on a charge he had altered the stock book of one of his galleries which contained the buying and selling prices of Mr Rothko's work. But Mr Lloyd was not in the U.S. when the indictment was handed down. He returned to the U.S. at the beginning of last year and surrendered to the New York county district attorney.

The complicated and intriguing case in the best "serie noir" tradition began after the suicide in 1970 of Mr Rothko, an abstract expressionist painted who painted the world he saw outside his studio in New York as an unsavoury materialistic place. Instead of selling his paintings, he boarded 798 of his works.

The year after he died, a suit was filed on behalf of his daughter, Kate, accusing Mr Lloyd and the executors of the Rothko estate of conspiracy and conflict of interest in selling and consigning the 798 paintings.

President sets date for West German general election

BY JONATHAN CARR IN BONN

THE WEST GERMAN Federal President, Dr Karl Carstens, has announced that general elections will be held on Sunday, March 6—about 18 months before they would normally be due.

In a nationwide radio and television broadcast yesterday, Dr Carstens stressed his decision to allow the early poll had been reached only after three weeks of careful thought.

However, all parliamentary parties have long been working on the assumption of a March 6 election, and campaign posters have been going up all over the country.

The action follows the collapse last autumn of ex-Chancellor Helmut Schmidt's centre-left coalition, which had been re-elected in October, 1980, for a four-year term.

The coalition was replaced — via a no-confidence vote against Herr Schmidt — by a centre-right alliance under Chancellor Helmut Kohl. He at once said he wanted premature general elections (a stand supported by all parties) and a full mandate from the public.

To open the thorny path to an early poll, Herr Kohl therefore deliberately lost a parliamentary confidence vote on December 17 after which President Carstens had 21 days to decide whether or not to dissolve the Bundestag (Lower

Carstens . . . careful thought

House) and call elections.

Another constitutional oddity is that although it has now been formally announced that Parliament is dissolved, in practical terms its work can proceed until its successor meets.

So President Francois Mitterrand of France will not find a row of empty seats before him when he addresses parliament in Bonn this month.

Opinion polls give the main government coalition parties — the Christian Democrats (CDU) and the Bavarian Christian Social Union (CSU) about 50 per cent of the national vote.

India's Opposition forms united front against Gandhi

BY K. K. SHARMA IN NEW DELHI

PRIME MINISTER Indira Gandhi licked her wounds in stony silence yesterday, as leaders of the major opposition parties rejoiced over India's mini-election results. The ruling Congress Party lost two prestigious and vital southern states while the Marxists romped home to regain Tripura. The opposition parties agreed to support each other to form the government in Karnataka state, a Congress stronghold for three decades.

The largest party in Karnataka is the Janata with just 100 seats in a legislature of 223. Yesterday, its rival, the Bharatiya Janata Party pledged the support of its 20 members, thereby enabling the Janata to form a government with considerable assurance.

The opposition moves for co-operation augur well for efforts to present a united front against Mrs Gandhi's Congress Party, although there is no sign that they will actually merge as they did to defeat Mrs Gandhi in the 1977 elections.

Mrs Gandhi's Party has never won more than 40 per cent of the vote in any election and has usually gained a majority because of multi-cornered contests in which the opposition vote is hopelessly divided.

Several opposition leaders yesterday recognised they had less than two years to make arrangements for the general elections due at the end of next year. Organisation is expected to gain momentum when governments are formed in the three states where the Congress Party lost.

This should prove easy in Andhra where the former matinee idol, Mr N. T. Rama Rao's new Telegu Desam Party won a comfortable two-thirds victory and decimated the Congress Party, possibly permanently.

Mrs Gandhi's disowned daughter-in-law, Maneka Gandhi, won four of the five seats in her newly-formed Sanjay Vichar Manch party contested in Andhra, an impressive political debut for a fledgling.

In the northeastern state of Tripura, the Marxists were given power for another five years. They now appear invincible in the two states they control, Tripura and West Bengal.

NZ invites steel plant tenders

By Peter Bruce

THE New Zealand Government has invited five steel plant manufacturers from the UK, West Germany and Japan to bid for the second stage of a programme estimated to be worth more than £400m to quadruple capacity at the country's only steel plant.

New Zealand Steel, which has gone into a minority partnership with a government development agency to finance the expansion programme, said yesterday that Britain's Davy McKee, Mannesmann Demag and Schloemann Siemag of West Germany, and Mitsubishi Heavy Industries and Ishikawajima - Harima Heavy Industries of Japan had been asked to tender.

Davy McKee was awarded a £218m turnkey contract in November 1981 to handle the first stage of the expansion, including new furnaces, which is due to be completed by May next year.

Stage two, involving the installation of a hot and a cold strip mill, should cost roughly £150m, according to 1981 estimates, but this could easily rise to around £200m.

New Zealand Steel, which was set up in 1966 and began producing in 1970, hopes to raise its raw steel capacity from 150,000 tonnes a year to 770,000 tonnes a year by the end of the second phase of expansion, in 1986.

Wellington has agreed to limit steel imports until 1991 in an attempt to protect NZ steel, whose biggest shareholder is the Fletcher Challenge group, from the deep recession confronting the international steel industry.

New Zealand Steel Development, which is a 60 per cent partner in the expansion venture, is understood to be negotiating a $300m (£187m) loan with Manufacturers Hanover Trust to finance the programme. In theory, the government agency will withdraw from the partnership if it begins to pay for itself.

The expansion, from the production of billet to an integrated plant, is being undertaken at NZ Steel's original site at Glenbrook, just south of Auckland.

NZ Steel has been able to make use of extensive "iron-sand" deposits on the coast nearby to feed the plant.

France promises aid and arms to Iraq

BY DAVID HOUSEGO IN PARIS

IRAQ APPEARS to have won substantial new commitments from France as a result of the visit to Paris of Mr Tariq Aziz, the Iraqi vice-premier.

At a Press conference Mr Aziz spoke of fresh financial assistance from France and of the "large-scale" military co-operation between the two countries.

He also told the newspaper Le Monde that France was Iraq's major economic, commercial and military partner. He said that purchases by Iraq accounted for 40 per cent of French arms sales abroad.

Iraq has placed FFr 27bn worth of arms orders with France over the past two years. Falling oil revenue as a result of the war with Iran has, however, caused payments difficulties.

France agreed in principle to substantially increase its purchases of Iraqi crude and granted Iraq delayed payment terms on arms purchases. This agreement appears to be part of a package under which arms sales to Iraq will also continue.

Iraq has already purchased Mirage fighters and Exocet missiles and details of the new package are to be worked out by technical experts.

France's arms sales to Iraq are spurred by the belief that an Iranian victory in the Gulf war would be damaging to the stability of the region.

France's increasingly deep involvement with the Gulf was also reflected yesterday by the departure of M Charles Hernu, the Defence Minister, and M Claude Cheysson, the Foreign Minister, for tours of the region.

● Banque Nationale de Paris and Societe Generale said they would cut their base lending rate to 12.25 from 12.75 per cent, effective from January 10.

Tel Aviv stock exchange chief resigns

By Our Tel Aviv Correspondent

THE CHAIRMAN of Israel's volatile stock exchange, Mr Meir Heth, has resigned after board members criticised his call for more stringent rules.

Mr Heth warned last Wednesday that shares on the Tel Aviv exchange were out of all proportion to their real value and predicted that the market, whose general share index of securities rose 293 per cent in 1982, would soon plummet.

The board, largely made up of banks, took exception to Mr Heth's remarks, particularly his demand for stricter controls on new issues.

Sony suspends VTR plan

BY DAVID HOUSEGO IN PARIS

SONY, the Japanese electronics group, has suspended plans to build a video cassette plant at Dax in south-west France while the French Government maintains its existing requirements that imported video tape recorders (VTRs) be processed through customs at Poitiers.

Sony yesterday confirmed that Mr Akio Morita, the head of the group had warned the Elysee in December of the possible abandonment of the project. Sony, which already manufactures magnetic tapes in France, had planned a FFr141m (£12.8m) investment, leading to the creation of some 400-500 jobs.

In making public its warning, Sony's intent is to increase the pressure on the French Government to lift the restrictions on VTR imports. The group said yesterday that it had no interest in going ahead with a project to manufacture 15m videocassettes a year while sales of VTRs were curbed.

Dunlop wins China order

BY PAUL CHEESERIGHT, WORLD TRADE EDITOR

DUNLOP, the British tyre manufacturer, has broken into the Chinese market with a £5.7m contract to modernise a crossply truck tyre factory near Canton.

The agreement, signed yesterday, will also enable Dunlop to strengthen its position in adjacent Asian markets.

The new contract is likely to be the precursor of further Dunlop contracts with the Guangzhou Rubber Bureau. The company has three firm proposals for the Bureau which may come to fruition in about six months.

Such agreements would help to pull British trade with China out of the doldrums. Although British exports to China were worth £169.5m in 1980, their value had fallen to £66.4m in the first three quarters of last year.

Dunlop's contract springs from a protocol covering long-term co-operation between the Bureau and Dunlop.

U.S. jobless rate rises

BY ANATOLE KALETSKY IN WASHINGTON

THE U.S. unemployment rate edged up to a post-war record of 10.8 per cent, from a revised 10.7 per cent in November, the Labour Department announced yesterday.

Because of a change in the system of calculating unemployment rates, the figures have been revised there have been small downwards for most of the past year.

But the department said the December unemployment rate would have been shown as 11.0 per cent under the old system, suggesting there has been little, if any, deceleration in the relentless rise of the jobless figures since the recession began in July, 1981.

Sihanouk . . . China's support

Sihanouk row threatens non-aligned summit

BY TONY WALKER IN PEKING

PRINCE Norodom Sihanouk, the tempestuous president of the anti-Vietnamese coalition in Kampuchea, is at the centre of a storm that threatens to disrupt the forthcoming Non-Aligned Summit in New Delhi.

Prince Sihanouk's supporters in the non-aligned movement had sought an invitation for him to the summit on the basis that as a founder-member he should be entitled to be present.

But India, the host country, refused to invite the prince on the grounds there is no precedent for issuing an invitation to an individual.

This week, an aide of Prince Sihanouk said the decision had "discredited" Mrs Gandhi, the Indian Prime Minister. The aide said the prince considered the move by India "illegal."

The row over an invitation for Prince Sihanouk to travel to New Delhi in March exposes deep divisions in the non-aligned movement on the Kampuchea question. At the last summit in Havana, it was decided to declare the Kampuchea seat vacant, and it is proposed to do the same again this time.

The non-aligned group of 97 nations is divided between those supporting the Vietnamese-backed Heng Samrin régime in Phnom Penh, and those that recognise the anti-Vietnamese coalition of Khmer nationalists led by Prince Sihanouk.

Among the strongest supporters of the prince are member-countries of the Association of South East Asian Nations. In Peking, a senior Asean diplomat said the group "did not understand" why India objected to Prince Sihanouk's participation at the summit as an individual founding-member. The diplomat said India should show "impartiality."

An Asean criticism is that because New Delhi has recognised the Heng Samrin régime it is making a prejudged judgment about Prince Sihanouk's participation at the Non-Aligned Summit.

Indian diplomats in Peking reject the charge. A senior Indian official described as "questionable," claims that an individual should be accorded special status at the summit because he may have been present at the founding conference in 1955.

"As for Prince Sihanouk's claim to be invited as a founder-member we're not able to honor the claim," the diplomat said. "There is no precedent for it at all, and we don't want to establish a precedent."

The Indian position is that the prince should be invited only if agreement on the basis of "consensus" can be reached among non-aligned nations. Such a "consensus" is almost certainly out of the question.

The Indian official said invitations had been issued to countries to attend on the basis of their attendance at the Havana Summit, several years ago. No Kampuchean representatives were accredited by Cuba.

Prince Sihanouk's aide, speaking from Pyongyang, said India's decision "discredited Mrs Gandhi, given the close relations between the prince and Mr Nehru, father of the Indian Prime Minister."

A New China News Agency report this week pointed out that Prince Sihanouk was being denied access to the Non-Aligned Summit even though the "Democratic Kampuchean coalition Government headed by Prince Sihanouk won the support and recognition of the United Nations."

China has vigorously supported Prince Sihanouk's right to attend the summit, and Premier Zhao Ziyang is certain to have pressed the case on his present tour of Third World countries in Africa.

In New Delhi this week, Mr Natwar Singh, secretary-general designate of the summit, ruled out the possibility of including the two rival Kampuchean groups. "As far as we know, the situation which existed in Havana continues, and is not likely to undergo any change," Mr Singh said.

The Indian official said the Kampuchean question was expected to figure prominently on the summit agenda. "If we can make some headway on solving issues like Afghanistan and the Iran-Iraq war, we would have gone a long way to making the summit a success. But if problems arise and bickering and confrontation occur, it may end on a negative note."

U.S. sells parts to Guatemala

By Hugh O'Shaughnessy

THE U.S. Government is to sell much needed spare parts for army helicopters to Guatemala.

Washington is ignoring protests from the British Government that the parts increase the threat of a Guatemalan invasion of Belize. Guatemala's General Efrain Rios Montt has laid claims on the newly-independent Commonwealth territory.

● In El Salvador yesterday, the army was in ferment after Colonel Sigfrido Ochoa, commander of the garrison at Sensuntepeque, refused on Thursday to obey an order from the defence minister, to take up the post of military attache at the Salvadorean embassy in Uruguay. Colonel Ochoa called for the minister's resignation.

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Court gives Kirk £30,000 fine

BY NICK GARNETT, NORTHERN CORRESPONDENT

DANISH TRAWLER owner, Mr Kent Kirk, was fined £30,000 yesterday after magistrates at North Tyneside found him guilty of a "flagrant and deliberate" breach of British fishing laws.

Mr Kirk, who used his vessel, the Sand Kirk, to fish within Britain's new 12-mile limit to test the legality of the regulation said he would appeal to the High Court and eventually, if necessary, to the European Court in Luxembourg.

The magistrates' bench could have imposed a maximum fine of £50,000 and confiscated his gear. Nevertheless Mr William Atkinson, acting Danish consul in Newcastle said he thought the fine was harsh. Mr Atkinson will provide a consul cheque to cover the fine while Mr Kirk arranges his finances to meet it.

Mr Kirk said he was not surprised at the size of the fine, the court hearing had been fair and the principle was more important than money.

Mr Kirk was accused of fishing in contravention of the Sea Fish (Specified UK Waters) (Prohibition of Fishing) Order 1982 and contrary to Section 5 (1) of the Sea Fish Conservation Act 1967 as amended by the Fisheries Act 1981. He pleaded not guilty.

The magistrates decided that the matter did not need referring to the European Court for legal clarification and that the order banning Danish vessels from within the 12 mile zone off the British coast was a legal statutory instrument.

More than three hours of legal submissions centred on whether the magistrates' court, chaired by Mr Roger Hall, a county court recorder, should refer the case to the European Court for clarification.

Mr Michael Thomas, prosecuting on behalf of the Ministry of Agriculture, Fisheries and Food said that at the moment there was a gap in the common fisheries policy. EEC rules made it clear that where there was such a gap and where power to take action belonged to the EEC Council an obligation was imposed on member states as guardians of the common interest to take what measures might be necessary.

The new British regulations have been ratified by the EEC at least up till January 26.

For Mr Kirk, Mr David Vaughan, QC, said he was not asking the court to dismiss the case but to refer it to the European Court.

● Officials at the Ministry of Agriculture and Fisheries for Scotland said 27 Danish vessels were operating legally in Scottish waters. Storm force winds forced six Danish vessels to shelter in Lerwick Harbour in the Shetlands.

Mr Henning Grove, Danish Fisheries Minister, and Mr Karl Hjortnaes, Social Democratic fisheries spokesman, met yesterday to discuss the country's strategy in its dispute with the other nine members of the EEC over the common fisheries policy, writes Hilary Barnes from Copenhagen.

Mr Hjortnaes, former fisheries minister, said he had suggestions for solving the problems facing Danish fishermen which would not call for sacrifices by other countries, but he declined to give details.

The issue will be discussed at a meeting of the Folketing's (parliament) market affairs committee on Monday in preparation for the meeting of EEC fisheries ministers on January 25.

Brittan hint of tax relief for farmers

By John Hunt

THERE WAS a strong hint last night from Mr Leon Brittan, Chief Secretary to the Treasury, that further relief from capital transfer tax might be given to farmers in the spring Budget, which will probably be the last before the General Election.

In the last Budget the tax was index-linked to take account of inflation. In addition 20 per cent relief from it was given on let land, to help tenant farmers.

Since then the National Farmers' Union has pressed for further substantial relief from the tax. They want indexing to be backdated to take account of the huge increase in land values since the tax was introduced in 1974.

The high incidence of the tax has meant that death duties which have had to be paid resulted in the break-up of small farms and prevented them from being inherited by next-of-kin.

Until now the Treasury has said that backdating of indexation would be far too expensive. Indexing alone on present values costs £150m a year.

But speaking to the NFU in Durham last night, Mr Brittan indicated that a relaxation could be on the way. He said the NFU had presented the Government with a list of further tax reliefs which it sought.

"Obviously, in the pre-Budget period I can make no promises, but we shall look at this sympathetically to see what can be done in the light of overall public-sector finance, and of the many competing claims for relief from other parts of the economy."

Private housing starts increase by 20%

BY ANDREW TAYLOR

PRIVATE HOUSEBUILDERS started work on 20 per cent more new homes in the first 11 months of 1982 than in the same period in 1981, according to figures published yesterday by the Environment Department.

Given this trend the industry should have started more than 140,000 new private homes last year, the first time this level has been passed since 1979.

In the first 11 months of last year private housebuilders began almost 133,000 new homes compared with 111,000 in the same period in 1981.

In the same period local authorities and housing associations started work on 49,000 new public sector homes, an increase of 42 per cent over the first 11 months of 1981.

Total housing starts in November, according to the department, were 18,200 compared with 13,900 in November 1981.

The pace at which private housebuilders have been making new starts has accelerated in recent months following the announcement by building societies and banks of further reductions in mortgage interest rates.

According to the department, the number of private housing starts in the three months to the end of November was 25 per cent higher than in the corresponding period a year ago. Earlier last summer the annual rate of increase in private housing starts had slipped back to 17 per cent, reflecting the building industry's concern about the lack of recovery in the economy.

Public sector housing starts also recovered last year following the moratorium on new council housing expenditure at the end of 1980. Local authorities have also been able to take advantage of capital receipts from the sale of council houses.

Local authorities are still expected to underspend substantially on their total cash allocation for housing investment, including capital receipts, in 1982-83.

In 1981 public sector housing starts totalled 37,000. This figure had already been overtaken by the end of the third quarter last year. It is the first annual increase in public sector housing starts since 1975 when work began on 174,000 new homes.

NCB paid subsidy for gas used in power plant

By Ray Dafter, Energy Editor

THE National Coal Board is receiving a Government subsidy of up to £20m a year because a Scottish power station is being run on natural gas liquids from the North Sea.

The amount, disclosed yesterday by the Energy Department, relates to the present financial year. The NCB may be given an even bigger subsidy in the next fiscal period, starting April 1.

The aid—part of a £390m annual deficit grant paid to the NCB — stems from the commissioning last year of a 1,320 MW power station at Peterhead on the east coast of Scotland.

The station, designed to burn oil, is being run on gas liquids (ethane, propane, and ethane) which would normally be used for making petrochemicals.

Shell and Esso are selling the liquids to the South of Scotland Electricity Board at prices which undercut those for coal pending the completion of a petrochemicals complex at Mossmorran, Fife, in 1985. The liquids will then be used largely for chemicals manufacturing.

Both the oil industry and the Government feel that it is better to use the gas liquids in power generation than for the fuel to be flared into the atmosphere. The liquids are produced as a by-product of crude oil in northerly fields of the North Sea.

But the NCB has complained that the deal is displacing the need for up to 2m tonnes of coal a year. The NCB has been hit already by a drop in demand at Scotland's coal-fired stations.

To compensate for this drop in sales, the NCB has sought new customers in the export market. But, because of intense international competition, it must accept prices considerably below those it could charge to the electricity board.

The NCB said last night that the grant was designed to cover the difference between domestic and export prices.

Nationwide Steelstock

Nationwide Steelstock, one of the companies making up the new British Bright Bar group, has been a subsidiary of the British Steel Corporation, not GKN as reported in yesterday's Financial Times.

BAe in merchant ship defence plan with W. Germans

BY LYNTON McLAIN

AN AGREEMENT has been signed by British Aerospace Dynamics and Blohm and Voss, the West German shipbuilder, which could lead to the joint production of weapon systems for merchant ships.

British Aerospace Dynamics group makes the Sea Wolf anti-aircraft and anti-missile missile. This was used successfully from conventional launchers on Royal Navy Type 22 ships in the Falklands war.

The company wants to combine the Sea Wolf with shipboard containers to give a compact, rapidly installed, weapon system, suited to the instant arming of merchant vessels in emergencies.

The agreement, signed recently by the Bristol guided weapons division of BAe Dynamics group and the Hamburg-based shipbuilder, calls for technical co-operation on the Blohm and Voss MEKO shipboard container system.

The company has high hopes that the co-operation agreement with Blohm and Voss will lead eventually to orders for the lightweight, compact containerised Sea Wolf system.

British Aerospace has not ruled out the possibility of the West German navy buying this new version of Sea Wolf.

Arming of merchant vessels in times of emergency would give them protection and a possible defence role. Such action would defuse the type of criticism voiced by the British merchant navy in the Falklands war, when commercial vessels went into the heat of battle lightly armed or not armed at all.

The General Council of British Shipping, the trade association for most of Britain's merchant navy, was particularly critical. In notes for the defence debate in the House of Commons on July 1, the council called for "the installation on selected merchant ships of anti-missile equipment."

If this had been installed on the Atlantic Conveyor the ship might never have been hit, the council said.

The Ministry of Defence, stung by this criticism, announced in the White Paper on the lessons of the Falklands campaign a new working party of the Shipping Defence Advisory Committee, to examine ways in which merchant ships likely to be required in emergencies might be designed, modified or equipped.

Blohm and Voss makes warships, including two destroyers fitted with Rolls-Royce gas turbines ordered by the Argentine Navy. British Aerospace said yesterday the agreement with Blohm and Voss "will enable the British Aerospace range of naval weapons systems to be offered by Blohm and Voss to their overseas customers for warships."

Backing for private telex

BY JASON CRISP

BRITISH TELECOM is to give its official blessing to private telex bureaux which would act as staging posts for international telexes between other countries, following a ruling by the European Economic Commission.

The move is likely to upset other telecommunications administrations, which see British Telecom depriving them of revenue. Intercontinental telex calls from the UK are significantly cheaper than from many European countries.

This means it is cheaper to send a telex to the UK for retransmission to another country, rather than send it direct. After other administrations complained in 1978, the Post Office, then running the service, tried to restrict telex agencies retransmitting international telexes.

Though British Telecom officially opposed the practice, it was almost impossible to "police" it, and there was little incentive to lose revenue from the extra telex traffic. A number of telex bureaux in the UK provide services for companies without their own machines.

The EEC ruling was made shortly before Christmas after a complaint aganist British Telecom. Teh ruling will almost certainly be welcomed by Telecom. The ruling will almost ment are keen for the UK to strengthen its position as an international communications centre.

Councils oppose Heathrow plans

OPPOSITION TO plans to build a fifth terminal at Heathrow Airport will be expressed by 30 local authorities at a public inquiry opening on Tuesday.

They are the Greater London Council, four county councils, seven district councils, eight borough councils and 10 London boroughs. Their stance will be shared by the British Airports Authority, the airport's owner and operator. The inquiry is expected to last about six months.

Crouch ex-chief 'failed'

BY CHARLES BATCHELOR

CROUCH GROUP, the international property development and construction concern, has said that Mr Ronald Clempson, the former chairman ousted by his fellow-directors last month, failed the company as a property specialist and as executive chairman.

In a strongly-worded letter to shareholders yesterday, Mr Dante Campailla, the new group chairman, said the board would not reinstate Mr Clempson as chairman or as an executive director even if shareholders voted in his favour on January 14.

"If shareholders decline to pass the resolution removing him from office as a director, the result will be a divided board, with Mr Clempson in a minority of five to one," Mr Campailla wrote. "This cannot be in the interest of your company."

He said that Mr Clempson should have warned the board earlier of the problems in the area for which he was specifically responsible.

"Your board believes that Mr Clempson has failed the company, both in the specialist activity of property development for which he was primarily responsible and as executive chairman."

Hamworthy head leaves

BY CHARLES BATCHELOR

MR JAMES BEVERIDGE has resigned as managing director and chief executive of Hamworthy Engineering, the largest subsidiary of Powell Duffryn, the shipping, storage and engineering group.

The move follows a difference of opinion over policy.

Mr Beveridge, 57, has also resigned from the Powell Duffryn board and severed all links with the company. He described the parting as "amicable." Mr Dick Peach, previously deputy chairman at Hamworthy, has been appointed managing director with immediate effect.

Mr Beveridge said he resigned over policies to be followed in steering Hamworthy through the recession which had affected the entire UK engineering sector. He declined to be more specific.

Powell Duffryn denied that the resignation had anything to do with the poor performance of the engineering division.

The company, and Mr Beveridge, said the main problems had arisen at two U.S. subsidiaries, Southwest Pipe and Supply Company and Allied Piping Products Group, which were not Mr Beveridge's responsibility.

Scrap Trident plan, says SDP

BY JOHN HUNT

THE Social Democrats, in a defence policy document published yesterday, proposed scrapping plans to buy the Trident nuclear missile system to replace Polaris submarine-launched missiles.

The party also proposes increasing Britain's conventional forces by using the £10bn saved on cancelling Trident, and maintaining the 3 per cent real annual increase in defence spending which is included in the present Government's programme.

The SDP also envisages, however, the long-term phasing out of Polaris if meaningful cuts in nuclear forces are agreed between the U.S. and the Soviet Union.

The paper proposes that the British Polaris force should be discussed in disarmament negotiations at which Britain should be represented. It states also, however, that Polaris should be maintained and that Nato should retain its nuclear capability all the time the Soviet Union has nuclear weapons.

Explaining this yesterday Dr David Owen, deputy leader of the Social Democratic Party, said he could foresee circumstances in which Britain in the longer term would scrap its independent nuclear deterrent. This would only occur, however, if deep cuts in nuclear arms were agreed between the Soviet Union and the West.

He emphasised that the main thrust of the party's policy was multilateral disarmament. He said: "I am not committed to the abandonment of the nuclear deterrent. It would depend on circumstances at the time."

The SDP document uses a careful choice of words to evade the question of whether the SDP should oppose the Government's decision to allow U.S. cruise missiles to be stationed in Britain.

It says that if the negotiations on intermediate missiles fail to reach agreement in principle by the end of the year, Parliament should be allowed to decide whether cruise missiles are deployed.

It adds, cautiously: "Social Democrats would wish to take into account a number of factors when deciding whether to accept cruise missiles."

The proposals have to be approved by the SDP Council at the end of the month there may be opposition from opponents of cruise missiles who could try to move an amendment banning their deployment.

David Owen: multilateralist

The present proposals have shifted considerably from those drawn up for the Social Democrats last October. Those had supported cruise missiles in Britain and said categorically that Polaris should remain the basis of Britain's nuclear deterrent.

In the latest document there is movement towards the line taken by the SDP's Liberal Party ally. Liberal policy is that Britain should abandon its nuclear deterrent, cancel Trident and phase out Polaris.

On cruise missiles, however, there still remains a wide difference between the two parties. The Liberal Council has opposed deployment of the missiles in the UK although Mr David Steel, the party leader, has made clear he is not bound by this decision.

The SDP document suggests that if sufficient cuts were agreed in the nuclear arsenals of the Soviet Union and the West, Britain and Nato should undertake that nuclear forces would be used only for a second strike.

It proposes that if the present disarmament negotiations collapse Britain could propose a freeze in its strategic nuclear weapons in an attempt to obtain a breakthrough.

Another suggestion is for a nuclear-free zone, with short-range battlefield warheads withdrawn from an area 95 miles deep west of the central front.

Scientists see no threat to nuclear workers

THERE WAS no direct evidence that occupational exposure to nuclear radiation at levels achieved for workers in British industry caused any ill-health or death, Mr John Dunster, director of the National Radiological Protection Board, the public "watchdog" on radiation, told a symposium in London yesterday.

Mr Dunster said this was the conclusion of different international scientific bodies which regularly reviewed the evidence on radiation exposure.

The expert international committees were all "broadly consistent" in their view, he said.

He was speaking at a symposium on radiation and the worker, organised by the British Association. For Britain, with about 110,000 radiation workers, the normal national cancer rate could be expected to produce about 500 deaths from cancer a year.

The collective radiation dose of 50,000 man-rems accumulated by that workforce "may be increasing this number to 505 per year," Mr Dunster said.

But radiation-induced cancers were not distinguishable from other cancers. The risk did not appear to be concentrated in any single type or group of cancers.

They could be detected only statistically. "If our present estimates of risk are about right and exposure levels remains much as at present, we may never be able to confirm the risk estimates by these means," he said. "Certainly, it will take some decades."

If the present estimates were too low by a factor of, say, five, "we should see evidence of that in a decade or possibly less."

Sizewell B power station 'worth £500m to industry'

BY DAVID FISHLOCK, SCIENCE EDITOR

THE SIZEWELL B nuclear power station will be worth £500m to British industry, which could expect to undertake more than 90 per cent of the work, Mr John Baker, commercial director of the Central Electricity Generating Board (CEGB), said yesterday.

Mr Baker, the CEGB's leading witness at the public inquiry, which is to start next week, into the Sizewell B nuclear project, was outlining the board's case at a news conference in London.

He said the CEGB's latest construction schedule indicated that, if the Government was to give a decision to proceed with the project in the spring of 1984, the board could be carrying out preliminary site work at Sizewell by July 1984, and would be ready to pour concrete by the spring of 1985.

If Sizewell B, Britain's first pressurised water reactor (PWR), were then completed to schedule, it would be on-load early in 1991. But the CEGB was allowing an extra 18 months for contingencies, in assuming that it would not be on-load until late-1992.

Mr Baker said that the board would be making no case for the project on grounds of need, but it believed electricity demand would make the plant necessary within three or four years of the earliest date the CEGB could hope to finish it.

If and when it got a decision to proceed with the project, it would immediately apply for permission to build the second PWR, at Hinkley in Somerset. Mr Baker believed there would be a three-year delay, until early 1987 before the board would start work on Hinkley C.

GLC warned off scrutiny of suppliers' practices

By Lisa Wood

THE GREATER London Council (GLC) has been warned by the Confederation of British Industry (CBI) to stop interfering in the affairs of the 10,000 companies which supply County Hall with services costing more than £186m a year.

The warning, by Mr Bill Doughty, chairman of the CBI's London Region follows the publication of full details of a GLC proposal, agreed in principle, to impose "good employer practice" on supplier companies. The proposals include scrutiny, by a "Contracts Compliance Unit," of suppliers as to their policies on wages and conditions, trade union rights, and equal oportunities.

Mr Doughty accused the council in a letter, of trying to assume the functions of such Government agencies as the Commission for Racial Equality and the Equal Opportunities Commission. He said the GLC should not be dabbling in such areas because it lacked competence in them, and would be duplicating effort.

The council, said Mr Doughty, should concentrate its efforts on providing cost-effective services to the residents and ratepayers of London.

He warned the GLC that suppliers would be deterred from tendering for contracts by the prospect of increased administrative costs of compliance, by uncertainty about how the Compliance Unit would exercise its discretion and by the unclear legality of some of the proposals.

On the proposals, Mr Doughty said, for example, that there was no evidence, as the GLC had suggested, that accidents among employees of direct labour organisations were less frequent than among contractors' employees. If the council were to try to assess the safety policies of individual companies, it would be putting itself in the positin of factory inspector, but with no similar standing in law. It was even possible, said the CBI, that the GLC might end up on the wrong side of the law if it were to approve a safety policy which an inspector had disapproved.

NUR discipline-rebels urged to stay in union

REBEL members of the National Union of Railwaymen (NUR) were urged last night to reconsider their decision to withdraw from the union. They are reacting to disciplinary measures against them for defying a call last year to strike over pay and productivity.

Mr Charlie Turnock, NUR assistant general secretary, travelled to Derby to address its branch meeting about the decision by 200 workers at the Etches Park maintenance depot of British Rail (BR) to suspend their 72p-per-week union subscriptions, in support of a similar protest by Mr Bill Reed, a 64-year-old fitter.

Members of the union's 800-strong branch at Reading are also in dispute with the union over the issue. Six members of the Swindon branch have also given similar notice about their dues. NUR members at York have sent a letter of support to Derby.

This trend, though small at present, does not just pose a disciplinary problem for a union which normally enjoys great loyalty. If it were to grow much more it could pose a threat to BR's closed-shop agreement with its unions.

This is because of a pledge by Sir Peter Parker, the BR chairman, during strikes last year, that employees expelled from the union for not striking would not be dismissed.

The significance of the grass-roots revolt was underlined yesterday by the presence at Derby of a senior official of the Freedom Association, a right-wing group which has long campaigned against BR's closed shop, who went to offer advice to Mr Reed and his colleagues, if required.

NUR officials are convinced the union will be able to contain any rebellion against the disciplinary action. The union has shown considerable ability to stamp out quickly and efficiently unofficial local opposition to central policies.

The issue has arisen because of the NUR's decision to discipline those of its 160,000 members who refused to comply with an official call to strike last June. The number involved is not easily calculable but might be 120,000. The union tacitly acknowledges that enforcement could be nearly impossible.

The main measures by the NUR against those involved include the suspension for five years of all non-cash benefits, barring members from union office for the same period and permanent removal from office of about 100 local officials.

Rebel members claim this is too harsh a punishment and point to the fine of £10 a day levied from non-strikers by the train-drivers' union, Aslef, against its 400 to 500 intransigents. The NUR people say they would have been prepared to pay such a fine but the union considers that too easy a means to a salved conscience.

In protest, NUR members are giving notice of termination of subscriptions. Union rules have no provision for resignation but a member eight weeks in arrears on dues is lapsed automatically.

So far BR has had from NUR people 29 applications to be removed from the automatic deduction by computer of union dues from wages. Though not a direct reflection of an intent to halt subscription, this is a good guide.

Many of those now in effect resigning will be covered by BR's extension of its original guarantee of continued employment inspite of the closed shop, to those non-strikers who leave the union because of the disciplinary measures. This, in itself, is likel yto lead to difficulties with the NUR.

Revolt against NUR sanctions on members who refused to strike is jeopardising BR's closed shop, writes Philip Bassett

That, however, is as far as the BR board is prepared to go. It is not ready to extend the guarantee to those workers who withhold dues in sympathy with the others. If such employees were to take such action they would be likely to be judged in breach of the union membership agreement and thus might well lose their jobs.

For inspite of claims to the [illegible] by such groups as the Freedom Association, the BR closed shop is still in force and BR officials intend it to remain so.

In a letter to all its unions, sent on December 17 by Mr Dick Wilcox, director of industrial relations, BR is seeking, though, to review its closed shop arrangements in the light of the Employment Act 1982 and the Government's subsequent code of practice on the closed shop.

BR wants to keep its closed shop arrangements within the law and is prepared to poll its workers on the issue, if that be required. Although members are defecting, a ballot would be likely to support a closed shop. A BR memorandum reported in 1975 that, in the three years while its closed shop was outlawed by the 1971 Industrial Relations Act, 96 per cent of its workers maintained their union membership.

Even the proposed review, though, is governed by the overall BR view that it wants to keep its closed shop as much as its unions do. The hardening line adopted by BR in strikes last year does not seem to have altered that attitude.

BR has always believed the closed shop benefits the railways by giving union leaders more power to deliver and keep wage and staff agreements.

According to a BR personnel department document on its closed shop deals, "the prime objects of the agreements was to enable the trade unions to have more control over their members in dealing with industrial action not officially supported by the union(s) concerned." It added that BR's negotiating structure was "based on agreements with a small number of very strong unions."

This is borne out by a confidential study of the closed shop, commissioned by the Employment Department. The author, Professor John Gennard of Strathclyde University, wrote: "Probably more than any other closed shop, the railway union membership agreement can be associated with the appearance of compulsory union membership to fulfil a joint union/management need for greater authority over the shop floor."

When BR resuscitated, in 1975, its 1970 closed shop deal, 99.84 per cent of its workers were unionised, according to an internal BR review. All but 43 of the 7,000 non-trade unionists then on the staff signed up. The 43 were then dismissed by BR without compensation.

A long legal action against the Government by three of the 43, supported by the Freedom Association, ended in a decision in their favour by the European Commission on Human Rights and compensation was awarded.

Closed shops, which cover about 5m workers, according to the Gennard report, have never been far from controversy. A recent poll showed that 56 per cent of trade unionists were opposed to them. BR's closed shop has been particularly in the limelight.

The NUR is embroiled in an election to find a successor to Mr Sid Weighell, the former general secretary, so the threat to a mainstay of its membership—finance and discipline—could hardly have come at a worse time.

The last thing BR, gritting its teeth against the Serpell report on its finances, wants is a dispute with its unions about an issue on which the Government has forceful views—in the main opposite to those held by BR.

The peak season for sniffing out success

Lucia van der Post takes the stopper off the fierce competition in the fragrance industry

AT THIS time of year multi-million-pound fragrance industry reaches its annual peak, as about 30 per cent of the annual consumption of perfumes, bath oils, body lotions and other scented goodies is bought.

Behind the fragrant counters and their glossy packages a fierce war is under way. The prize is a slice of the £254m annual sales in the women's fragrance market but not all the contenders will find a place in the sun.

Women may be notoriously fickle but, in the old days, you could at least count on their constancy to a perfume. Fifty years or so ago, a women who chose a subtle, understated, classic perfume from one of the great old houses more or less stuck with it for life. Nowadays there is a new generation of bolder rivals encouraging her to play around.

The average user of up-market fragrance nowadays has two to four to hand at any given time. She will probably change her perfume as often as she changes her clothes and will buy new ones rather in the way she buys her dresses and her shoes — according to whim or the fashion of the moment.

The first threat to the established position of the fine French fragrances came in the 1950s when Estee Lauder, queen of her own cosmetic empire, decided that American women would like a punchier alternative to Chanel No 5, and gave them a perfume so strong that it swamped the more delicate charms of the old classics.

In her wake, a host of imitations arrived and then, in the early seventies, the first of what are now known as the "life-style" perfumes. First and most successful of them all was Charlie—the hundred-million dollar baby of the Revson group. Charlie reached a market which had not been tapped before—it bridged the gap between the cheap scents and the fine French fragrances. It was as clever a marketing job as the fragrance world had ever seen. It was aimed at the girl or woman who bought perfume for herself, and it embodied aspirations of the age—health, confidence, independence.

Since then, there has been a plethora of imitations (Smitty, Panache, Just Call Me Maxi, Laughter et al) many of which have bitten the dust. For the very fashionability of the life-style concept contained the seeds of its demise—life-styles change and a fragrance linked too closely to an era would have to give way to a newer, more fashionable image.

Life-style fragrances have also helped, oddly, to re-establish the popularity of the subtler, more refined classics. As the newcomers broke down the mystique surrounding the use of perfume, as they introduced large sections of the population to its habitual use, so more people became more discerning. There now seems to be a swing back to the fine French fragrances. Women seem to be going up-market.

In the late 1970s, there began another strongly identifiable trend in perfumes, lead by Yves St Laurent's Opium. The first of the great eastern spicy scents, it was a masterly combination of exotic fragrance, controversial name, careful packaging and boldly projected aura. Its success was instantaneous, it is still the market leader in the U.S. and, like all the great perfumes, it provoked a host of imitations. Now we have Estee Lauder's Cinnabar, Mystère de Rochas, Guerlain's Nehma, Lancome's Magie Noire — all projecting eastern mystery and exotic spiciness in varying proportions.

However, the latest buzz phrase is "designer scents." From Americans Halston, Calvin [illegible] and Ralph Lauren to Italians Gianni Versace, Giorgio Armani and Missoni, there is hardly a designer whose name is not attached to a small expensive bottle of perfumed essences.

One needs no crystal ball to see that not all of them will survive. As many as seven out of ten may fail to make the grade. Mr Kenneth Green, managing director of Charles of the Ritz UK/Parfums Yves St Laurent and Gianni Versace, reckons a company has three years to establish a new perfume—if it hasn't made it by then, it never will.

The next five years will see a dramatic change in the industry. Many of the names now adorning the counters will go to the wall. Though some have detected a return to the refined charms of the fine French fragrances, the considered opinion of most people in the trade is that the French houses will need to fight for their patch.

Too many of them still believe the old snob appeal of the past will keep them going forever. It won't. It isn't enough to be good any more—you have to keep telling people how good you are. The consumer wants more than an exquisite smell—she wants charisma, something new, exciting, full of dreams and promises. Those who supply this best will grab the biggest prizes.

Pickets call Scargill 'dictator'

BY JOHN LLOYD, LABOUR EDITOR

THE ROW between Mr Arthur Scargill, president of the National Union of Mineworkers, and his head office staff spilled on to London's streets yesterday.

Some staff members picketed the union's Euston headquarters, protesting against "dictatorial behaviour" and an alleged lack of consultation.

Mr Scargill met leaders of Cosa, the NUM's white-collar section which represents the staff, and promised to meet all the office workers next Wednesday to discuss their grievances.

Mr Trevor Bell, the Cosa general secretary and the leading right-winger on the union executive, said after the heated three-hour meeting that the staff had the impression Mr Scargill was a bad employer.

Mr Paul Noble, chairman of the headquarters Cosa branch, said recent Press articles which gave the impression that wages of up to £6,500 were paid to secretaries without the knowledge of the president were a gross distortion.

A statement from the branch said the headquarters' imminent move to Sheffield meant the staff had in effect to choose between moving or being made redundant.

The statement ends by saying the relationship between Mr Scargill and his staff was "akin to those which existed in the 19th Century with pit-owners."

Secretaries on the picket-line confirmed the tenor of the statement. Ms Mary Nolan said the staff had dubbed Mr Scargill "the dictator."

Mr Scargill said later that many of the staff resented the move to Sheffield. He claimed, however, that he was most compassionate towards them. Overtime had been stopped since July but money diverted from overtime was used to employ two jobless youths.

Dock apprentices laid off

MORE THAN 130 apprentices are being laid off by Portsmouth Dockyard in the next three weeks because repairs to ships returning from the Falklands are finished. About 45 men left yesterday.

The men were employed as casual labour in the dockyard after they completed their five-year apprenticeships in the autumn.

Mr David Mitchell, secretary of Portsmouth naval base's joint union committee, described the lay-offs as "real shame."

"They were kept on to cater for ships returning from the Falklands. Now they must go. This is their reward, and it is not fair."

An appeal by the unions for local industry to employ the men has had limited success. Some companies in the area said that they might take on some

Fewer people use main airports

By Michael Donne, Aerospace Correspondent

THE NUMBER of passengers moving through the British Airports Authority's seven airports in November was 2.76m, a decline of 5.8 per cent over the corresponding month in 1981.

The airports are Heathrow, Gatwick, Stanstead, Glasgow, Prestwick, Aberdeen and Edinburgh. The authority attributes the fall to decreasing business travel, and to November being a quiet month for holiday travel. Bad weather also hit traffic.

At the London airports, Heathrow, Gatwick and Stansted, traffic was down 6.7 per cent to 2.38m It was also down at all four Scottish airports, although at Aberdeen there was a rise of 53 per cent to 51,300 in helicopter passengers.

Bank Bruxelles operation given change of status

BY WILLIAM HALL, BANKING CORRESPONDENT

THE Bank of England's strict capital adequacy rules are believed to be one of the main reasons why Banque Bruxelles Lambert, the Belgian bank, is reorganising its London operations and replacing its London merchant bank with a branch.

The vast majority of foreign banks in the City of London operate through local branches which do not require separate capital from the parent. However, 19 of the 379 foreign banking groups represented directly in the City operate through local subsidiaries and it is known that some of these banks have been reviewing the suitability of these vehicles given the general pressure to bolster capital ratios.

In July 1981 Julius Baer, the Swiss bank, converted its London merchant bank into a branch of its parent and, more recently, two French banks, Credit Commercial de France and Banque Internationale pour l'Afrique Occidentale, announced that they were liquidating their jointly owned UK subsidiary, and opening London branches.

Banque Bruxelles established a London merchant bank in 1974 in conjunction with the Drayton group. Following the latter's takeover by Midland

The bank has not been particularly profitable in recent years and has found that its limited capital base hindered the expansion of its money market activities. As a branch of a Belgian bank, the London operation will not need its own capital and can trade on the back of its parent's capital base.

The branch, which will have recognised banking status, will continue the activities undertaken by Bank Brussels Lambert (UK). The latter has surrendered its banking recognition and changed its name to BBL International (UK). It will carry on some lending activities principally to non-UK companies.

Banque Bruxelles says that the reorganisation reflects its policy to "expand its international network by means of a direct local presence where suitable." It has branches in Milan and Singapore and recently opened in Madrid.

M Jacques Delacarve, who has been chief executive since the bank was formed eight years ago, will continue as a director of BBL International (UK), but will concentrate on his new job of chairman of the Alva Investment Trust.

Mr Ivan Lenotte has been

Clearing bank employees seek 8-9% increase

BY BRIAN GROOM, LABOUR STAFF

THE NON-TUC Clearing Bank Union is to press for an 8 per cent rise in pay negotiations for the 170,000 clerical staff employed by the five English clearing banks. The talks will start this month.

The CBU's claim is at variance with that to be submitted by the TUC-affiliated Banking, Insurance and Finance Union. Bifu seeks salary increases of £10 a week, or 9 per cent, whichever is the greater, as part of its campaign against low pay.

The two unions negotiate separately with the Federation of London Clearing Bank Employers, representing Barclays, National Westminster, Lloyds, Midland and Williams & Glyn's, although the same offer is made to both unions.

Mr Jack Britz, general secretary of CBU, rejected Bifu's arguments on low pay because he said they were too wide-ranging. Large numbers of staff in low grades were young and living at home, he said.

There was a small but growing problem of older staff being stuck in low-paid jobs in large centres but in his view this should be dealt with domestically in the individual banks.

Mr Leif Mills, Bifu general secretary, said: "It is a disgrace that in a profitable industry there are those who are low-paid, by almost any definition, and particularly there are those who qualify for rent and rate rebates."

Current weekly pay rates are: Grade 1, £53.62-£80.69; Grade 2, £67.92-£117.29; Grade 3, £96.08-£140.08; and Grade 4, £113.71-£161.58.

The talks will also cover the minimum managerial salary, £214.65 a week.

Bifu's claim would produce rises between 9 per cent and 18.6 per cent, the largest increases going to the most junior staff.

Social security strike off

A FOUR-MONTH-OLD strike by 800 Social Security staff in Birmingham was called off at a mass meeting yesterday. The strikers accepted a government offer to review manning levels in Social Security offices across Britain, including inner-city offices.

the Health and Social Security Department, the strikers decided to delay their return until January 17.

The two unions involved, the Civil and Public Services Association and the Society of Civil and Public Servants, said many strikers were unhappy

FT machine managers serve notice

By Our Labour Staff

NINETEEN machine-managers at the Financial Times, members of the National Graphical Association, have given 28 days' notice of official industrial action. The notice expires on February 1 but further meetings with the company are planned before then.

The dispute is over erosion of differentials with machine workers belonging to another union, Sogat '82, who recently completed a self-financing productivity deal. An agreement has not been reached with the NGA.

Three-cornered talks between the management, the 76-strong Sogat '82 machine-assistants' chapel and the smaller NGA machine-managers' chapel have been running for almost three years.

No compensation paid

THE Daily Mirror has asked us to make clear that no compensation was paid to three women messengers who alleged sexual harassment in the newspaper's offices. The case was withdrawn and no evidence concerning the allegations of sexual discrimination or harassment was put to an industrial tribunal.

Texaco pay block

DELEGATES representing 850 Texaco tanker-drivers and depot workers refused yesterday

THE WEEK IN THE MARKETS

Oil fuels share activity

LONDON

ONLOOKER

Promise of a more settled oil market pulled the London equity market out of its festive season doldrums this week. But the news emanating from OPEC did little to revive sterling which had been suffering from the uncertainty surrounding the oil price.

As the pound continued to weaken against most currencies the City was startled to learn the extent that the Bank of England had been intervening in an attempt to stem its slide which began in November.

Britain's gold and currency reserves had been cut by more than $850m in December—some $500m more than in the previous month—it was reported.

With the patient clearly still failing to respond to treatment, the optimism over lower interest rates began to wane, undermining the upturn in the gilt-edged market. This market was also affected by a shift towards index-linked stocks, reflecting some of the pessimism that remains in the air.

Equities, meanwhile, encouraged by a strong surge on Wall Street, moved upwards taking the FT Industrial share index back through the 600 mark to finish up 24.3 at 621.

Yesterday sterling was still struggling at $1.6105, down 70 points on the week, with the trade weighted index down 1.8 at 82.5.

Mail order ban

For all that it took nine months' gestation, the report on the proposed takeover by Great Universal Stors of Empire Stores (Bradford) led during the week to one of the most clear cut decisions the Monopolies and Mergers Commission has made recently.

The addition of Empire's 7 per cent slice of the mail order trade to GUS's dominant market share would, the Commission decided unanimously, lead to a further concentration of power in the industry and would cut effective competition. GUS therefore should not be allowed to renew the £37m bid it launched last Spring and, furthermore, its subsidiary, the British Mail Order Corporation should reduce its 29.99 per cent stake in Empire within two years.

That much was plain enough but the effect on Empire's future is by no means so straightforward. Taking the precedent set by the divesture of Eurocanadian Shipholdings' stake in Furness Withy and Manchester Liners, the Department of Trade looks to have given GUS substantial leeway in timing its exit.

Waiting in the wings, however, is Sears Holdings which bolds e 7.05 per cent stake in Empire, acquired at a price believed to be just under 80p per share, to be used as a potential platform for a full bid.

The problem is price. GUS built its holding at an average cost of 112p per share and is naturally unwilling to get out at a loss. Sears, the Selfridges, British Shoe Corporation and William Hill group, on the other hand, thinks Empire's current share price of 86p is not justified by recent trading results and will try, if it can, to talk Empire down.

Plainly, Empire's two largest shareholders are some way from agreement as to the correct bid price. Sears is adamant that GUS should accept a cash bid in full so much will depend on the view Sears takes of Empire's trading prospects when it visits Empire's Bradford headquarters next week.

At the back of all this is the market's growing feeling that Sears will go for not just Empire but nearby Grattan as well. The shares are beginning to scent e bid but, for the moment, Sears is confining itself to the observation that it must negotiate with Empire first.

Heron swoops

The City had been expecting Mr Gerald Ronson to bid for UDS Group for months. Last summer Heron Corporation, Mr Ronson's private company, disclosed a 5.1 per cent stake in the retailing group. Since then rumours have been rife that e bid was on the way. It finally came this week.

Bassishaw, the vehicle of a consortium of Heron, three nationalised industry pension funds, RIT and Northern, Ailsa Investment and Mr Cyril Spencer, former boss of Burton Group, alapped a 100p e share offer on the table valuing UDS at £191m.

UDS's new chairman, Sir Robert Clark, wasted no time in brandishing the offer as totally inadequate and refuting Bassishaw's claim that attempts to arrest the decline of the retailer have been unsuccessful. The main planks of the defence will be a trading improvement in the second half of the year ending this month and a property revaluation throwing up a substantial surplus on the historic asset backing of 170p per share.

Coming so soon after the City consortium bid for Woolworth it is tempting to draw parallels. After all Mr Ronson had been in talks with Woolworth a year before the City men struck a price with the American parent. Also both Woolworth and UDS qualify as slumbering high street giants even if UDS's public face is more diffused operating as it does through several chains such as John Collier and Richard Shops.

But the comparison cannot be drawn too far. Bassishaw is a consortium but Heron is well to the fore with a 50 per cent holding. There is no share alternative as there was with Woolworth so UDS holders have no chance of staying on with the new company. And Bassishaw has found its chief executive in Mr Spencer. Woolworth is still sifting through the names.

With Heron's 5 per cent stake the consortium makes its attack with a holding in UDS of about a tenth. That is hardly a commanding platform but Sir Robert may have to work hard on his defence. The recent profits and dividend record leaves UDS looking a little short on shot and powder.

Anderson ploy

The story unfolds at Anderson Strathclyle, the Scottish mining equipment company trying to fight off a bid from Charter Consolidated, an associate of Mr Harry Oppenheimer's Anglo-American group.

A couple of weeks ago the Government overturned the Monopolies Commission's majority recommendation that the hid should not be allowed to go ahead. Within a week, Anderson had issued a strongly-worded statement criticising the Minister's decision. The directors said they would continue to fight the takeover hid and were convinced that it would operate against the public interest.

Professor Andrew Bain agreed with Anderson and announced his decision to resign from the Monopolies Commission on Monday in protest against the Government's decision. He sent a strongly critical letter to Lord Cockfield, the Trade Secretary, agreeing that the Government had the right to overturn the recommendation but arguing that it should not be used "arbitrarily."

The following day, Anderson nsed another weapon against its predator. It made an offer of *£20m to* buy a controlling stake in National Mine Service, a U.S. manufacturer of mining plant. Ironically, a subsidiary of Anglo-American made an offer for a 25 per ceot stake in NMC just three weeks ago.

Now the Takeover Panel has told Charter that it must decide by January 18 whether to mount a new bid for Anderson. Anderson shares stood at 170p yesterday, 35p more than Charter's previous 135p bid.

Video delay

A late start in the video recorder market is hitting the pre-tax profit line at Electronic Rentals. A costly quick sprint to catch up comes at a time when its core business of television rentals is in a heavy replacement phase. This has belped push taxable profits for the six months to the end of September last down 17 per cent to £6.2m.

The increased investment has meant that although the depreciation charge, has risen, hy £3.5m to £27.7m, the related boost to profits will only show through in subsequent years. First half rental income slipped 12.4 per cent from £13.8m to £12.3m undoubtedly reflecting the keener margins the group is baving to accept in order to increase its foothold in the VCR market.

The company claims to be gaining on the competition in the very huoyant video market. In June to fund its development in video and other electronic products at a time when its share price was weak and underperforming the All Share index by almost a third, the group acquired and liquidated London and Montrose investment trust.

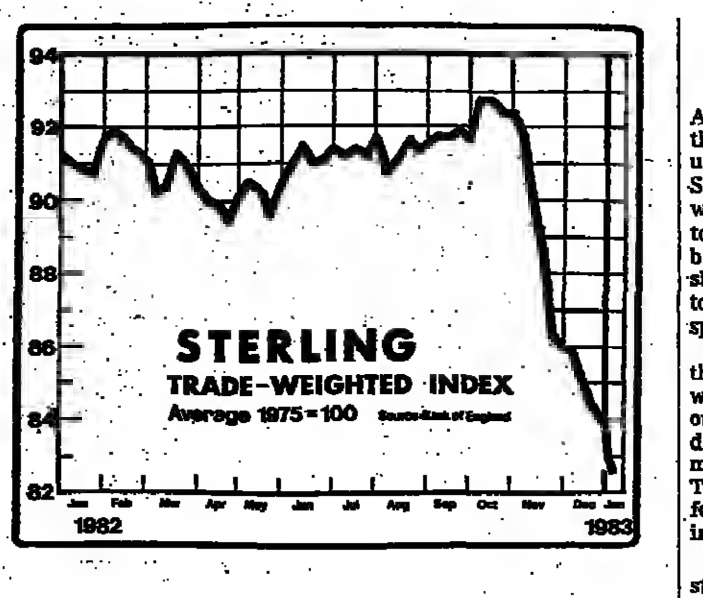
This share deal raised around £35m and was equivalent to a one-for-four rights issue. *Despite this* cash injection horrowings are likely to rise hy £10m in the second balf as the large cash outflow on new equipment continues.

This puts further strain on a balance sheet which at half time already showed borrowings almost treble the level of shareholders funds and subordinated debt, at £58m.

Equipment rental remains by far the group's major activity. Of the rest of its interests, property again cootributed a useful £0.4m while a buyer is being sought for the camping and leisure side which lost over £½m in the first six months.

One of the problems facing the group is how to ease the tax burden, following the reduction of capital allowances available.

With the share price down 8p at 67p on the results the prospective yield is 9.4 per cent.



MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1982/3 High	1982/3 Low	
F.T. Govt. Secs. Index	80.11	− 1.08	85.84	61.89	Currency fears
F.T. Ind. Ord. Index	621.0	+24.3	637.4	518.1	Secondary stocks prominent
F.T. Gold Mines Index	588.8	+32.2	588.8	181.2	Widespread strong demand
A. & G. Security Electronics	305	+35	305	78	Chairman's annual statement
Amstrad	335	+93	335	90	Demand in thin market
Benlox	41	+ 9	42	12	Investment recommendation
Fidelity Radio	107	+32	115	42	Video sales boom
Glaxo	£14	+ 1½	£14¼	418	U.S. demand
Hickson & Welch	306	+31	306	200	Better-than-expected ann. results
Philips Lamps	725	+82	725	427	Joint venture with A.T. & T.
Polly Peck	£28	+ 5	£28	314	Awaiting merger proposals
RTZ	520	+65	520	344	Recent rise in copper
Ruberoid	240	+35	241	89	Belgian acquisition
Rustenburg Platinum	450	+98	450	120	U.S. buying
Shell Transport	436	+22	444	334	Revival in oil shares
Sidlaw	314	+44	314	146	*Forthcoming Skean Dhu flotation*
Stewart Nairn	80	+18	82	19	Press comment
Tomkinsons	125	+24	130	57	Press comment
UDS	99xd	+11½	99	54	100p offer from Bassishaw
UU Textiles	34	+ 8	35	9	Speculative demand

The bulls are back

NEW YORK

RICHARD LAMBERT

AFTER AN uncertain start, the bulls were clambering back up over the parapets on Wall Street by the middle of the week and powering shareprices to all-time highs. The volume of business, which had fallen back sharply over Christmas, started to shoot ahead and the advances spread across a broad front.

Monday started the way that the previous week had ended, with the institutions standing on the sidelines and prices drooping. But that setback was more or less fully recovered on Tuesday, and after a brief pause for breath Wall Street exploded into life on Thursday.

The big feature has been the strength of share prices in the basic industry sectors. Steels like National and Bethlehem jumped hy around a sixth in the first four days of the week, and the most active stock on Thursday was Alcoa. Du Pont and Dow were each up by roughly an eighth by Thursday night—enormous jumps for groups of this size—and other chemical companies like union carbide were active and strong.

There were also big gains in the depressed mining sector, where groups like Phelps Dodge and Asarco were jumping ahead. The oils picked up too, aod so did some of the oil service companies like Schlumberger and Hughes Tool, helped by suggestions that the rig count in the U.S. might at last be starting to stabilise.

It all seemed a bit too easy, somehow. The case being advanced by huyers of these shares is that the worst of their agoniea are over. Companies like Bethlehem have been slashing back their overheads and axeing surplus capacity, and their market is no longer sinking like a stone. This week, both the chemical companies and the copper miners announced desperately needed price increases, although whether they will stick is another matter.

However the underlying economy remains very frail—a point rubbed home again this week when the big retail groups announced Christmas sales figures that were mediocre at best. Sales for group like Sears, K Mart and J. C. Penney were little changed from 1981 levels in December, and the chairman of Dayton Hudson was quoted as commenting that "if Santa Claus couldn't bring the consumer around, it probably won't happen in the next few months."

Moreover as Wall Street was celebrating its gains this week, the news from Washington was extremely depressing. The President is due to submit his budget for fiscal 1984 at the end of this month, and by all accounts the budget-making process is in a atate of shambles. The one thing that seems clear is that budget deficits are going to remain enormous for as far ahead as it is worth thinking about.

For this reason, the recent behaviour of the credit markets is worth noting. As expected, short term mooey rates came back sharply this week as year-end distortions worked their way through the system. By yesterday morning, the Federal funds rate was down to around 8¼ per cent, aod the conditions were beginning to look right for yet another cut in the discount rate which currently stands at 8½ per cent.

But long-term bond yields were edging up for most of the week, and bond prices actually fell a bit on Thursday when equities were shooting ahead. That made a marked contrast to the pattern of recent months, when the fixed interest market almost invariably led the way up.

With another $55bn of Treasury fuoding expected in the first quarter of the year and all that hudget uncertainty, this hesitancy is not surprising. Wall Street still has the look and feel of a bull market—but there are big hurdles ahead.

One group that has not been sharing in the recent excitement is the airline sector. Price competition seems to be at least as intense as ever, and the operating results for the fourth quarter will look even worse than in 1981 in many cases. The shadow of hankruptcy still lies over some airlioes.

All the same, Goldman Sachs has taken e positive line in its latest quarterly review, arguing that the combination of a slowly recovering economy and falling fuel costs adds up to a strong case for some airlines. One such is Delta, which has been trading well below its 1982 bigh at around $42. It appears to be halting the erosion in its market share which had been causing much concern among investors, and after losing money in 1982, Goldman Sachs thinks it will earn about $3 a share in 1983.

Monday	1,027.04	−19.50
Tuesday	1,046.08	+19.04
Wednesday	1,044.89	− 1.19
Thursday	1,070.92	+26.03

A marathon, not just a mile

MINING

GEORGE MILLING-STANLEY

AN ATHLETE running a mile in competition knows that he must try to husband his strength during the first three and a half laps, so that he still has the reserves of energy needed to produce a sprint which will leave his rivals trailing once he is within sight of the winning-post.

Three years ago today, the gold price stood at $817 per troy ounce, and was about to break into the sprint which took it more than $200 higher within the next couple of weeks, to a record which still stands.

There are those who find similarities between the exciting days of early 1980 and the present situation, when gold is poised around the $450 mark. Many expect the price to race ahead before 1983 is much older, climbing way beyond the previous peak of $850.

There is one major difference between those times and today, however. The FT Gold Mines index three years ago was hovering around the 280 level, whereas now it is in new high ground not far short of 600.

Gold shares did not participate fully in the metal's 1980 surge until much later in the year, the index reaching its then highest-ever level only in September.

This time around, they are leading the way. Share prices are already discounting a gold price perhaps $100 above the current level, and there will inevitably be disappointment if the metal does not soon perform as expected.

This disappointment will bring in its wake a sharp reaction in share prices, which could tumble just as far and as fast as they heve risen since last summer.

My feeling is that the gold price in the current bull market is not runing a mile race, hnt something more like a marathon. Its eventual target is much more distant, and the tactics therefere quite different.

Gold's rise since the depths of $296 per ounce plumbed in June last year has been much steadier, and is therefore presumably more soundly-based.

Beyond that, the main impetus has come from economic factors, fears about a renewal of inflation and a world banking crisis, rather than political, as was the case during the last advance.

The gold price will one day set new records, but there is no certainty that this will happen this year, or even next.

It is not difficult to understand, and even sympathise with, the motives of those investors who bave pushed gold share prices to today's heights. No-one wants to be left out of a good game, and the gold share market has undouhtedly heen that in the past few months.

The recent advances mean, however, that there are sizeable profits to be taken, and now is prohahly a good time to take them, or at least some of them.

Many a sound investment has been wrecked by greed, which tempts the shareholder to ignore a hig present profit in the hope of an even bigger potential one in the future.

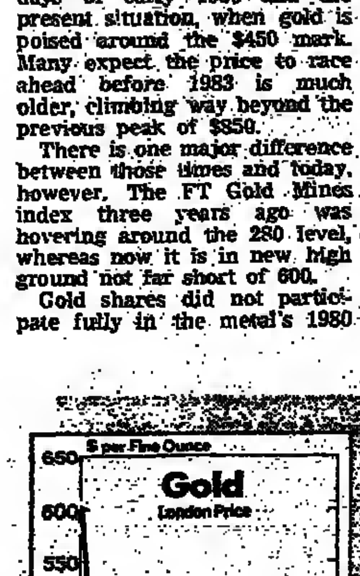
A further word of caution, if it is needed. The recent upsurge was led by Sonth African buying of the higher quality, low-cost producers, such as **Randfontein Estates, Vaal Reefs** and **Driefontein Consolidated.**

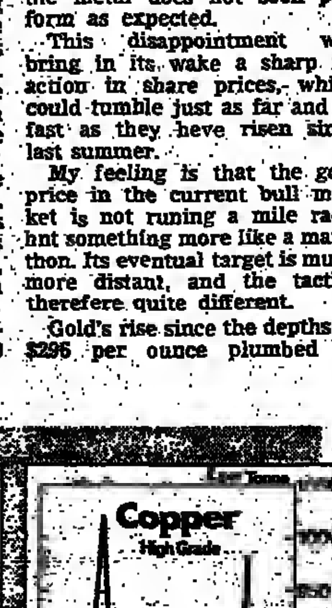
In recent weeks, everyone bas jumped onto the bandwagon, with strong demand from London, the Continent and the U.S. for just about any gold-releted stock, however speculative it may be. In these sort of circumstances of almost indiscriminate buying, it usually behoves the prudent investor to sell.

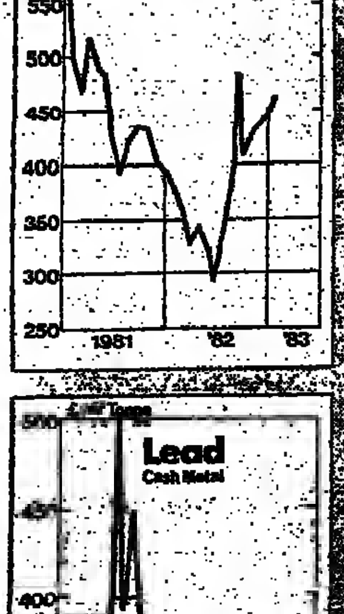
The gold mines are ahout to produce the usual detailed reports on their progress over the past three months. Provided the rate of increase in working costs bas been contained within reasonable limits, they should show good rises in profits across the board — the increase of about $50 an ounce in the average gold price between the September and December quarters should see to that.

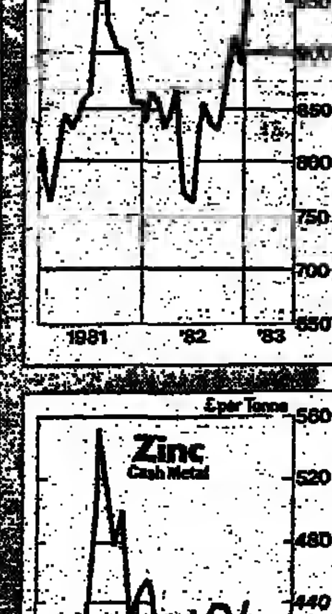
The quarterly reports are due as follows: mines in **Consolidated Gold Fields** group on January 11, ***Rand Mines*** January 18, **Anglovaal** and **Johannesburg Consolidated Investment** January 19, **Gencor** January 20 and **Anglo American Corporation** January 21.

The buying spree in gold shares has spilled over into other sectors of the South African mining share market, too, notably the finance houses, platinums and **De Beers.** All of these are currently at, or close









Obviously, the finance honses with strong gold interests, such as **Anglo American** and **Gold Fields of South Africa,** are being bought for the same reasons as the pure gold shares. But the demand for platinum and diamond shares is hard to justify.

Platinum is often considered to be a store of value in the same way as gold, and while there are elements of truth in this view, it is by no means the whole story.

Gold serves two main purposes, as jewellery and as a hedge against inflation, with industrial applications coming way behind these. For platinum, the position is reversed, it is principally an industrial metal, with the other two roles being of relatively minor importance.

The U.S. motor industry is a major user of platinum in the complex catalytic converters needed to control motor exhaust emissions in compliance *with* strict pollution control measures.

A renewal in demand for the metal is thus dependent on an increase in U.S. car production, which will not come about until the whole economy hegins to recover.

Recent small improvements in figures for U.S. car sales are not enough, as these statistics largely reprsent sales from the hig stocks held by the manufacturers and retailers, rather than any rise in production.

There is also a danger that emission control standards could be relaxed in the near future, meaning that exhaust systems would require less platinum.

Most analysts seem to be expecting only a modest pick-up in economic ectivity in the U.S. this year, with no hig increase until perhaps early in 1984.

That definitely does not bode well for the two big South African platinum producers, **Impala** and **Rustenburg,** nor for **Lydenburg,** the other share quoted in the sector, which holds a stake in Rustenburg. The present euphoria in the shares looks unwarranted.

De Beers are a slightly different case, as there is surely no-one who is unaware of the depressed state of the world diamond market.

Next week should provide further evidence with the publication of the figure for sales of rough (uncut) stones from the company's **Central Selling Organisation** during the second half of last year.

Most attention will probably be focused on the figure for year-end stocks of unsold diamonds, which seems likely to top R2bn (£1.15bn). This is not such a big increase over the end-1981 figure as it might

YOUR SAVINGS AND INVESTMENTS—1

A lost deed case

FINANCE AND THE FAMILY

BY OUR LEGAL STAFF

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Twenty years ago I bought my house in Sunderland with the aid of solicitor "A" to whom my son was later articled. When my son set up a practice he took the house deeds with him, but on my asking for them he tells me the final conveyances to one is missing. Solicitor "A" will not get round to looking for the missing deeds and says he has some recollections they may have been registered. Can you suggest how I can stir solicitor "A" to action? What would I do now?

If the property was purchased before February 1968 it should not have been registered. However you can easily ascertain whether or not it has been registered by making (or getting your solicitors to make) a "parcels search" at H.M. Land Registry. If it is registered you have no problem. If it is not registered you should require your solicitor to register it as a "lost deed" case, and ask him to do so at his expense if he cannot find the missing conveyance. Your son can no doubt spur him on. If he will not co-operate you can complain to the Law Society.

Sale of rights and CGT

My wife acquired during the financial year 1966-67 some ordinary shares in a newly quoted public company and the acquisition cost was near enough £5,000. Since this purchase my wife has made no further purchases neither has she made any disposals and the market value of the shares today is something like £60,000 so if she sold she would make a capital gain of £55,000. During this financial year a rights issue has been made and my wife renounced her nil paid rights for a consideration of £3,000. In what manner will this consideration be regarded by the Inland Revenue? Will the consideration of £3,000 be offset against the original cost thus reducing it to £2,000 or will the consideration be regarded as a capital gain arising during this year?

Your wife has a choice: (a) she can claim to have the proceeds treated as reducing the cost to £2,000, so as to avoid having a chargeable gain in 1982-83; or (b) she can treat the £3,000 as a capital distribution, giving rise to a 1982-83 chargeable gain of about £2,757 (ie £3,000 minus 102 per cent of 3/63rds of £5,000) if the sale took place last April, or slightly less if it took place later, which might be covered by your joint exempt amount of £5,600. If she chooses the first alternative (a), the indexation allowance on future sales will be subject to a complex dual calculation. It is difficult to explain this point without precise data, unfortunately.

Accumulation unit gains

I have sold, at profit, some unit trust units. In this case the income has been accumulated in the trust. What figure should I use in calculating the gain for tax purposes? Say, cost £1,000, sold for £1,500 income accumulated £100. Is the gain then £400 or £500 please?

Assuming that you are talking about accumulation units (as distinct from an automatic reinvestment scheme), the answer is £400 subject to indexation relief.

Bills which have been paid

A few weeks ago you published an article on computers which continually re-present bills which have been paid. Local and Water Authorities, Electricity Boards and Telecom send me final demands up to 14 days after bills have been paid. As a consumer I regret the waste involved, but I am annoyed by the fact that these final demands always arrive in a window envelope with my name and address outlined in red so that all who handle the letter can see that it is a second or later demand. Indeed, on one occasion the postman handed me a second demand for rates long since paid with the comment "you'd better pay this one."

Many years ago I read an article, which I believe was in relation to a book club subscription, in which the courts were reported to have held that the presentation of demands in such a manner that third parties could readily see that a debt was alleged but where no debt was due was defamatory, and damages were awarded. Do you think that the presentation of the demands that I have described falls within this category? I did complain to Telecom earlier this year, and their response was that it was a "standard form" and I should ignore it.

We think that a case for defamation can be made out, but it would not necessarily give rise to more than nominal damages unless the letters in question can be shown to have affected someone's estimate of your credit-worthiness or financial standing.

Chattels and equal shares

I am joint executor with my brother of my mother's estate, which was left in equal shares *between us. As there is no* **prospect of agreements over the disposal of a few residual chattels in my possession (total value £100-£150) I have suggested that they should be auctioned to which my brother will not agree, can I now proceed?**

The only solution in law is to apply to the court for directions as to the method of sale of the chattels; but this may well cost *more than the value of the chattels in question.*

Refusal of rent

[My husband] was granted the tenancy of our house. The owners of the property have changed many *times and the rent is controlled.* **About three years ago (when the landlord wished to raise the rent), the house was said to be unfit for habitation although this quite clearly was ridiculous. However, it meant that the rent was not increased. Two and a half years ago, my husband wrote asking the owners to transfer the tenancy to my name. The owners refused and have not accepted any rent since. I have consulted solicitors who said that the owners might one day take us to court for non-payment of rent, although we are still submitting it. Is this possible and how do I stand? I have only recently spent over £1,000 having rooms repaired and decorated.**

You should ensure that you have a fund from which arrears of rent can be paid. A wise course would be to open a deposit account and pay any arrears into it, and then to pay the amount of rent, as and when it falls due, into the account until such time as the dispute with your landlord is resolved.

Executors of a will

I am about to make my will, can I have more than two executors, please? I would like four, so that feelings are not hurt. In the papers I notice that wills published show gross and net amounts. In some cases the difference between gross and net is a great deal, in other cases is very small. Can you give the reasons for this please?

You may appoint more than two executors, but probate will not be granted to more than four. We do not recommend appointing more than two executors except where one or more are to act in substitution if the first appointed executor(s) renounce probate. The difference between gross and net estate is arrived at by deducting the liabilities to creditors from the gross figures.

Receipt of a piece of land

We wish to buy a very small piece of land adjoining our property. There are no deeds for this land, the present *owner having purchased it* **approximately 40 years ago, receiving only a receipt from the owner who also did not have deeds. This ownership has never been challenged. What is the legal position? Could we also buy it by exchanging cash for a receipt?**

It would be most unwise to rely simply on a receipt for a cash payment for the land. You would require, at least, a conveyance supported by a statutory declaration as to your vendor's possession of the land for 40 years and the circumstances of his "purchase" of it.

The following information will appear on the Insurance and Overseas Managed Funds page with effect from Wednesday, January 12, 1983

Clerical Medical & Gen. Life Ass. Soc.
15 St. James's Square, London SW1Y 4LQ. 01-930 5474

Executive Investment Pension Plan	Bid	Offer
Cash Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Mixed Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Fixed Interest Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
U.K. Equity Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Property Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Overseas Fund, init.	95.0	100.0
Do. accum.	95.0	100.0
Index Linked Fund, init.	95.0	100.0
Do. accum.	95.0	100.0

Prices January 5. Unit dealings on Wednesday.

Clerical Medical Managed Funds Ltd.
15 St. James's Square, London SW1Y 4LQ. 01-930 5474

	Bid	Offer
Cash Fund	116.0	116.0
Mixed Fund	136.2	140.3
Fixed Interest Fund	148.2	150.4
U.K. Equity Fund	136.3	141.8
Property Fund	107.8	112.7
Overseas Fund	140.0	147.0
Index Linked Fund	106.5	108.1

Prices January 5. Unit dealings on Wednesday.

Where to invest in 1983: **Mary Ann Sieghart** reports

East or west . . . by the 9 wise men

FOR THE British investor, 1982 was a good year for putting money in foreign shares. With a weakening pound, there were considerable currency gains to be had, and many markets were distinctly bullish towards the end of the year.

The total return from Wall Street over the 12 months was about 40 per cent in sterling terms, while an investment in the Belgian stock market would have increased your stake by 55 per cent.

The UK was the third best performer after Belgium and Sweden measured by local currency standards, but U.K. investors did not reap the advantage of exchange rate gains. So where should you invest in 1983? We asked some of the people who ought to know.

Philip Howard — partner in international division, Philips & Drew

We think the strongest currencies will be the yen, the Deutsche Mark, the guilder and the Swiss franc—not the dollar. But the market we think will give the best total return is Wall Street. The yields and price/earnings ratios in particular are very attractive. Wall Street looks incredibly cheap—we're looking for a major improvement from current levels. We're also quite optimistic about Japan and the Continental markets.

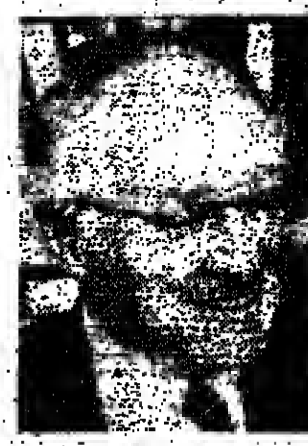
For investments under about £10,000, the best thing is some sort of managed fund that gives you a spread of risk in the country into which you want to go. The best sectors to go for in the U.S. are interest-sensitive stocks, the retail sector and some high technology areas. In Japan, defence stocks should be good.

A glimpse of the new technology in Japan

John Manser — Managing Director, Save & Prosper Group

From the point of view of the UK investor, it's a choice between the U.S. and Japan, with Japan winning on currency terms but the U.S. offering more undervalued companies. Equity markets generally will remain strong on the back of low interest rates, low inflation and the abandonment of strictly monetarist policies.

Retail, electrical and interest-sensitive sectors should be best. I would recommend a balance between two trusts — U.S. Growth and Japan Growth — assuming you have adequate exposure to the UK market.



Harry Littlefair, deputy managing director, Allied Hambro

Our collective view is the States. We feel that they're going to pull out of the recession relatively early and their price/earnings ratios are fairly modest even after the rises we've seen. America is the place to be.

The blue-chip companies have led the rise, so there will be more to be gained in small less well-known companies — maybe recovery stocks. I would recommend Allied Hambro Special Situations Trust.

Clive Fenn-Smith—Managing Director, Barclays Unicorn Group

I'm torn between America and Japan, but if I had to go for one, I would choose Japan from the point of view of the UK investor. Both markets will be strong, but I think the yen will appreciate, while the dollar will remain steady against the pound.

The most attractive sectors are capital goods and consumer stocks. I would advise the ordinary investor without specialist knowledge of Japan to invest through a unit trust with a spread of risks. Barclays Unicorn Greater Pacific Trust is invested about 95 per cent in Japan."

Norman Riddell — Chief Investment Director, Britannia

The strongest currency in 1983 is probably going to be the yen. It's already been firming up having been weak over the previous two years when the dollar reigned supreme. I expect the yen to appreciate against the dollar by a further 15 per cent this year.

The U.S. stock market will perform well in the early part of 1983, but on a total return basis, I think that the Japanese market should prove to be the most rewarding.

Our principal investment vehicle in the Far East is the Britannia Japan Performance Trust.

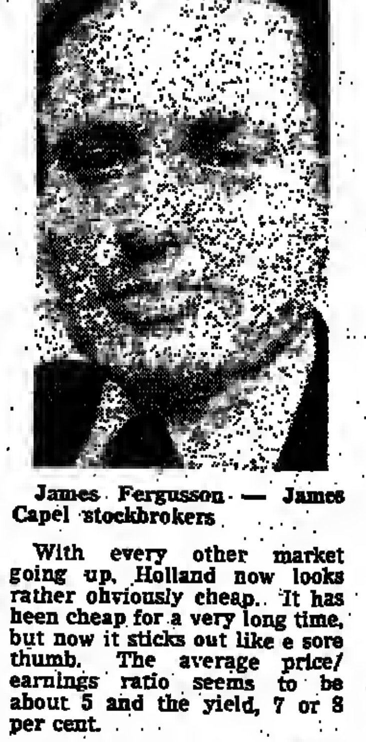
Tom Griffin — Chairman, GT Management

We're increasing our Japanese content both from the currency point of view and the market. We have emerged from a longish period when the yen was weak against the dollar and we feel that the strength of the yen is likely to be sustained. If there is a fall in the price of oil, Japan is a beneficiary and it is very competitive. Although the the companies don't look terribly cheap, we reckon it's the best place to be.

"We're still very bullish about certain areas in the U.S., especially high-growth, high-technology companies, which are self-financing with a strong cash flow.

The great punt this year will be whether Hong Kong will turn round. But that's for the real punters, not your widows and orphans.

Any collective vehicle seems to be the best way to invest abroad, because the expense is too great if you go it alone. We have GT Japan Investment Trust which is heavily concentrated in the electronic and the drug sectors."



James Fergusson — James Capel stockbrokers

With every other market going up, Holland now looks rather obviously cheap. It has been cheap for a very long time, but now it sticks out like a sore thumb. The average price/earnings ratio seems to be about 5 and the yield, 7 or 8 per cent.

America's a bit dodgy because of the awful state of the economy and Japan is fairly expensive already. Hong Kong and Singapore are a bit vulnerable and Australia depends on a mineral price boom and that hasn't happened yet. So we're left with mainland Europe.

So how should someone invest in Holland? You just ring up somebody like us.

Lord Remnant — Chairman, Touche Remnant

The U.S. and Japan are the most attractive places, but on balance, I would come down in favour of the U.S. The inherent strength of the American economy is such that with falling interest rates, America will be capable of taking advantage of any upturn in the world economy. If the U.S. does not have an upturn, no other country will.

But the yen will strengthen further, so Japan should come out well. The business scene there is so immensely strong.

I would advise people to use one of the specialist investment trust companies. We have TR Pacific Basin and TR North [...]

Paddy Linaker — Managing Director, M & G Investment Management

Personally I'm quite keen on Japan because of currency gains as well as a rising market. But there is scope in Australia as well. I'm not absolutely confident about the U.S.

The best sectors in Japan are the fibre optic and electric cable industry, as the government is going to spend three trillion (million million) yen over the next five or 10 years revamping communications; pharmaceuticals, where a lot of money is being spent on developing new drugs; and consumer products and retail later in the year.

Our [...] for that area is [...]

صكرا من الاصل

YOUR SAVINGS AND INVESTMENTS—2

Eric Short reports on life insurance and the building societies

A war that is escalating

THE INCREASINGLY fierce competition between traditional life companies finally killed off the commissions egreement last week, even though the official reason for the termination was the competition from the newer linked-life companies.

But open hostilities have broken out in an unexpected quarter, the commission that should be paid to building societies for traditional mortgage-related business, especially on low-cost endowments used for repaying mortgages.

Under the old commission scale, all independent intermediaries, from the full-time registered insurance broker to the garage owner who offered an insurance service, received the same commission scale.

This feature infuriated insurance brokers who felt that they should be recompensed for the service and work done on behalf of the life company in securing business. The part-time agent merely introduced the business leaving the life company inspector to do all the work.

But in recent years more borrowers have been repaying mortgages with low-cost endowments and the building societies have been offering a direct advisory service to borrowers on these aspects. This has been like a red rag to a bull to many insurance brokers not able to fully participate in one of life assurance's growth areas.

The efforts of the British Insurance Brokers Association in securing differential commissions appear to have borne fruit. Last month eight Scottish life companies and four other UK companies formed e consortium to announce their commission scale to replace the old one. Registered insurance brokers received 15 per cent ebove the old basic scale, other full-time intermediaries 10 per cent and all others, including building societies, the basic.

This move was warmly welcomed by BIBA, but its joy has been short-lived. While most other life companies have announced 15 per cent more commission for brokers, building societies get 10 per cent more commission.

So war has broken out between the traditional life companies over building society business and is escalating rapidly.

The building societies refute the eccusation from brokers that they only provide an introductory function and have no expertise. BIBA tends to adopt the attitude that only insurance brokers can be fully impartial in advice and by implication everyone else is biased.

Building societies are acquiring expertise on mortgage insurance advice. Two at least, Abbey National and Yorkshire Building Society, employ full time insurance managers who heve spend their previous years in the insurance industry. One can discuss the pros and cons of building society aptitude and capability of providing insurance advice till the cows come home. But building societies are mutual operations and commission payments received are used to benefit the members.

The question that borrowers should ask is where does this leave them. Will the ability of building societies to get higher commission from certain life companies affect the nature of the advice?

Mrs Marjorie Bevan, manager (insurance services) at Abbey National is certain that it will not. The advice given is based on a client's needs.

The main points of consideration are the past performance of life companies, future projections and levels of surrender value. But above all is the borrower's main concerns—the overall return and as small a premium as possible.

Nevertheless, it would be naive to pretend that commission will not be taken into account in many cases. The onus goes back to the borrower to ensure that be is satisfied with the life company recommended.

John McKirdy of Noble Lowndes makes no bones about there being no case for paying building societies more than basic. The payment of higher commission in many cases is a misguided attempt to pay volume commission and that stops any attempt to offer impartiality.

Sir Gordon Borrie, Director General of Fair Trading, has been active on the building society involvement over household insurance advice given by building societies and has secured march greater freedom of choice for borrowers. He may now turn his attention to low-cost endowments if this commissions war gets out of hand.

Battle of the linked-life market

THE PRESENT situation in the life assurance industry was triggered off when the newer life companies, not members of the Life Offices Association, paid above the official scale for single premium linked life business.

This was termed "unfair" competition by the traditional companies and given as the main reason for ending the old commissions agreement.

Subsequent events have shown this to be merely the match and fuse that has set off the explosion. The powder kegs have been building up for years within the traditional sector concerning building societies and differentials.

Even so, the traditional life companies have announced that they intend to fight for a larger slice of the linked life market. They have raised the basic rate from 3¼ per cent to 4¼ per cent for single premiums business and then will pay 10 per cent or 15 per cent more to brokers and intermediaries according to their status in the eyes of the particular life company.

The traditional life companies may well be disagreeing among themselves on commission levels for traditional business, but the increase to 4¼ per cent seems almost universal. It now makes the traditional life companies extremely competitive in this field.

The linked Life Assurance Group, which represents most of the non-member life companies is reacting very coolly to this threat. After all, for years many of these companies have publicly advocated that there should be a free market in commission payments.

The disquiet over the commission increases is coming from the unit trust groups. They are concerned at the now very wide disparity between payments on direct investment in unit trusts and payments via a linked life bond. Direct invest pays a basic 1¼ per cent plus a marketing allowance of a further 1¼ per cent to selected intermediaries.

The investment return on direct unit trusts holdings is taxed differently than if held through a life bond. This can have considerable impact on the investor at the time when he cashes in his investment. Generally speaking smaller investors paying basic rate tax should invest directly.

In many cases intermediaries do not pay sufficient attention to this aspect in their recommendations. The effect is highlighted in the accompanying table and shows that it is vitally important for investors to make the correct choice.

% GROWTH OFFER TO OFFER PRICE OVER 1 YEAR TO DEC 1 '82

Fund	Via the Insurance Bond	Via the Unit Trust
	(net income reinvested)	
Britania Gold & General	+15.9%	+45.7%
Equity & Law North American	+45.9%	+54.4%
Framlington American	+43.3%	+50.5%
Framlington Capital	+22.8%	+27.5%
Gartmore Special Situations	+16.9%	+18.2%
Henderson High Income	+18.7%	+24.8%
Hill Samuel Dollar	+30.6%	+35.5%
Hill Samuel Capital	+14.4%	+18.3%
M & G American	+38.5%	+43.4%
Schroder Income	+21.0%	+23.0%

Source: Premier Unit Trust Brokers

Ernie's lost pals

THE GOVERNMENT owes thousands of people money. And it has nothing to do with taxes. Unclaimed Premium Bond prizes totalling about £1½m are buried in the coffers of the Exchequer gathering dust and presumebly some interest for HMG.

The chief cause of the backlog — which does not include any prizes announced in the last 18 months — is thet many bond holders change addresses without telling the Bonds and Stock Office.

The Bonds and Stock Office apparently makes strenuous efforts to locate Ernie's unknowing beneficiaries, but 32,000 winning numbers currently remain unclaimed. Most of these are due for only the small prizes, but there are eight prize winning numbers among them which are owed £5,000 Come in, numbers 1AB 256982, 2CS 045013, 3EL 224436, SK 744260, 15VK 903255, 5FN 575928, 10KK 315944, QK 407453. Your time is long since up.

Those of us who have held premium bonds for years, with nothing to show for it but remorseless capital depreciation in real terms, consider ourselves unlucky. But there is worse, much worse. The £250,000 monthly jackpot winner is the number that comes right at the top of the list randomly generated by Ernie. But usually the first few numbers are those of bonds which have been casbed. Sometimes it is a number as low as tenth on the list which wins the jeckpot.

According to e National Savings spokesman, one £¼m jackpot winning bond had been cashed in the previous month: "That gave us rather a nasty feeling" said Mr David Percival of National Savings. No known word could describe the feelings of the unfortunate (ex) bond holder concerned—if he ever found out.

Dominic Lawson

Investing at split-level

STOCK MARKET investors who shudder every time they receive an investment income surcharge bill and who don't shy away from risk heve recently rediscovered an investment instrument that has been languishing for nearly a decade beneath a fog of arcane financial calculations.

Two of the leading stockbrokers in the field, Ted Sellars of Laing and Cruickshank and Richard Green of James Capel, both report an upsurge of interest in split-level investment trusts. Jobbers have renewed trading nf shares in such exotic-sounding trusts as Jove and Archimedes and turnover is estimated to have increased over the last year by about 25 per cent.

Leverage, of a financial rather than an Archimedean type, has been the chief selling point. Conventinnal investment trusts have also been gearing up over the last few months through the issue of debentures, to magnify the increese in their asset values. But the unusual structure of split-level trusts allows them to be geared up without the danger of being crippled by high interest rates.

The prices of shares in the split-level trusts are still low, elthough they bave risen much faster than everage share prices over the last year, and stand at larger discounts to net asset value than the 26 per cent average in the Investment trust sector as a whole. £100 of shares in split-level funds buy on average £156 of assets. And as 22 of the 24 bave to be wound up at a fixed date within the next 20 years—and 11 in the next ten years—shareholders will in most cases not bave to wait indefinitely to retrieve the assets at their full value.

The other bait, particularly for the high-rate taxpayer, is that shareholders need pay tax on capital gains only, at a rate of 30 per cent after inflation adjustment—rather than et rates of up to 75 per cent (with no index-linkage) on investment income.

Many conventional investment trusts—and unit trusts—seek to appeal to different groups of investors by offering them either high yields in the form of generous dividends, at the expense of prospective rapid capital growth rates in the value of the shares — or vice-versa.

Split-level trusts take this approach to its logical conclusion by dividing their shareholders into two distinct groups, those who choose to take all the income accruing to the fund and those who pocket ell the increases in the fund's asset value.

Holders of the income shares are mainly tax-exempt and tax-favoured instiutions such as pension funds, charities, insurance companies and unit trusts. When the winding-up date arrives, they will recover their initial stake at par.

The capital shareholders receive no dividends but if, say, a fund of £1m of income shares and £1m of capital shares rises in value by 50 per cent to £3m, the value of the capital shares will go up by 100 per cent to £2m. Conversely, if the value of the fund falls by 50 per cent then the capital shareholders' equity interest is completely wiped out.

Danae, a split-level fund launched at the top of the bull market, saw the value of its assets fall so sharply in the mid '70s that even todav the asset backing of the capital shares is still negative.

Other split-level trusts fared better. The largest, Triplevest, which currently bas gross assets of £50m, saw its capital share price slump from en average of 295p in 1972 to 87½p in 1975, before recovering to reach a price of 412p on Thursday, which represents a discount of 31 per cent to net asset value.

One problem the funds face is that the further their net assets rise in value, the smaller the proportion of income shares in the total assets and the lower the financial leverage. Gearing up again through borrowing is a possibility but the difficulty is to ensure that income shareholders do not see most of their revenue disappearing into interest payments in the early years.

Balancing the interests of the two classes of shareholders can be e thankless task. For example, what average yield on equities should the portfolio manager aim for?

Alex Reid, a director of Drayton Montagu, which manages the Dualvest and Triplevest funds, said: "We have taken the view that we would run the funds as a normal investment trust." For the same reason, he is willing to invest in small unquoted companies with only long-term growth prospects even though the redemption dates of the two funds are less than five years away.

By contrast, the Rosedimond fund which is due to be wound up either one or two years from now sold its entire portfolio of equities and went 100 per cent into gilts between August and November 1981—just in time to catch the gilt market boom. "We wanted to make sure we preserved the capital gains we made in the past," said Richard Hale.

The rising quality of the split-level fund portfolio managers is one nf the factors behind the up-rating of the funds, according to stockbroker Ted Sellars. "The management companies used to put their juniors in. But now they take them more seriously and performance bas improved greatly in the last three to five years," he said.

The most widely tipped of the 24 split-level funds are the two M and G Dual trusts and the Anglo-International Asset fund. All are considered to be well-managed and currently their capital share prices stand at discounts of as much as 45 per cent, 36 per cent and 28 per cent respectively to net asset value. The winding-up date for Anglo-International is in January 1985 or 1986.

Clive Wolman

Separate to protect your investment

JUST OVER a year ago, the London commodity broker, M. L. Doxford, crashed, leaving its investors empty-handed. In spite of calls for investor protection from Professor Jim Gower, adviser to the Department of Trade on company law, no proposals have yet been put forward by the London exchanges.

The two main bazards for investors are the mismanagement of their funds and the risk of their brokers going bust. In the latter case, the only way clients can recover their money is to join the queue of creditors. No lews exist to safeguard their investment and as a result, many potential investors, both from Britain and overseas, are nervous of entrusting their capital to London brokers.

But one company has taken Professor Gower's calls for self-regulation seriously. Butler Harlow, the money broker, announced a new scheme on Wednesday to protect its financial futures clients from bankruptcy and mismanagement.

Peter Scott, the director responsible for setting up the scheme, says: "There are no rules, or regulations about what commodity brokers can and cannot do with clients' money. The tradition in this country is that we police ourselves and engage in self-regulation. The first step towards this is the segregation of clients' funds."

So under the Butler scheme, clients' money is kept separate in a trust fund, managed by Butler Harlow, but supervised on behalf of the clients by The Law Debenture Trust, a leading independent trust corporation.

Under the rules of the trust, Butler has to deposit all clients' funds in the trust and can only apply them in accordance with special rules. Each day, the company has to produce a balance-sheet signed by two directors which gives a detailed account of which funds are where.

Once a month, the accounts are audited by accountants Price Waterhouse. "It's a very strict policing system," says Scott. "We'd be rumbled pretty quickly if we falsified the balance-sheet." If the independent trustee, LDC, has any suspicions of mismanagement, it can appoint someone else it can terminate the trust altogether and return clients' funds.

If Butler itself went bust, the money in the trust would be cocooned. There would be no question of having to retrieve lost money from the liquidators. The result, according to Scott, would be "e minor inconvenience." The trust would be terminated and theoretically the money could be returned to investors within 48 hours.

Clients are also protected under the terms of the Trust Deed from other investors' misdeeds. For each financial futures contract, an investor hae to put up a small percentage of the value of the contract as a deposit, which in the commodity world is called a margin. The idea of this is that any losses incurred will be covered.

But if one client does not pay up his margin, then other clients' interests are at risk. So Butler has undertaken to make up any deficiency on a client'e account in cash within 24 hours if he becomes "undermargined." In practice, of course, this means that Butler bas more of an incentive to ensure that all margins are paid. As Scott says, "We're going to edopt a far more rigorous policy."

At the moment, all the trust's clients are banks, but individuals who want to do e fair amount of trade in financial futures are not ruled out.

So, after seven months of work in what Scott calls "a legal minefield," be bas finally come up with e method of segregation that looks as if it sbould work. "The first question always used to be 'What bappens if things go wrong?'" he says, "and we did not have an answer till now.

"This is the first plank of self-regulation and it could well set a standard which other brokers have to follow. We think it is in the interests of the London markets that they engage in self-regulation, because there is e nervousness about placing money with UK commodity brokers."

And the verdict from the expert? "It seems to be a valiant effort," says Professor Gower. "It is encouraging to see people moving in the right

PROPERTY

Here, still, are a thousand and one gardens

BY JUNE FIELD

"IT IS THE district *par excellence* for interesting people," observed Alan Montgomery Eyre in *St. John's Wood—Its History, Its Houses, Its Celebrities*, 1913.

As the introduction noted, "tha Wood" (named for the Priors of St John of Jerusalem who owned other land in the area), was a metropolitan oasis —a district with peculiar architectural and domiciliary features of its own: Here, still, in a thousand and one gardens . . . (and) miniature groves of almond and lilac half hidden behind lvied walls, a brave last stand is being made against the Philistines."

Among the "select spirits whose names adorn the annals of Art and Literature" were Sir Edwin Landseer, who lived in a cottage in St John's Wood Road. and Sir Laurence Alma-Tadema who took over Tissot's house at 17 Grove End Road after this Townshend House was partially destroyed in the Regent's Canal barge explosion of 1874. And Napoleon III. when Prince Louis, was said to have resided with a lady-friend at 23 Circus Road.

Then there was the St. John's Wood Clique, formed in 1862 with seven artists who adopted a miniature brass gridiron as their badge; and Miss Mary Ann Evans (novelist George Eliot), who although "hardly liking to lock up any money in laod and bricks," bought, with her "dear companion, critic and philosopher" George Henry Lewes, The Priory, 21 North Bank, St. John'a Wood.

It was prosperous city merchant Henry Samuel Eyre (the name is believed to be a corruption of heir, equivalent to *L'Héritière* in France), who In 1732 bought the St. John's Wood Estate from Lord Chesterfield for the bargain price of £20,000.

"The property was only some 500 acres altogether, and lay in what is technically termed a "ring fence." But it was the fashion then, as since, for City merchants to buy land in the country," recorded Mr Alan Eyre. In his opinion as a commercial proposition it was hardly equal to the importalion of pipes of port. (Henry Eyre was also a port wine importer, described as taking advantage of the treaty with Portugal. "He bad assisted to flood the cellars of Eogland with port, and lay the foundations of his own fortune and the gout of succeediog generations.")

But It was not until the early 19th century that the Wood was really discovered. "Beautiful fields, green lanes, clear air, the very place for lovers of quiet . . . why doo't you build a villa in the heart of St John's Wood?" wrote man of letters Cyrus Redding to a friend in 1808. Soon speculative builders moved in to construct villas, some in pairs, set in their own gardens, providing a veritable *rus in urbe* for the middle classes, who could not afford a grand house in the more fashionable Regent's Park.

Mr Cowan's office is just along from the Portland Arms on St John's Wood High Street where the locals play cribbage on original Victorian pub tables. Nearby is the Sir Isaac Newtoo public bouse, built in 1892, wbich has a whelk stall outside selling fresh crabs. Nearby shops include delicatessens, French *patisseries*, and establishments with trendy names selling expensive couture clothes.

Walk on into St John's Wood Park with its nice neo-Georgians, and more apartment blocks, Park Lodge aod Boydell Court with local agents' boards outside (Anscombe and Ringland, Britton Poole and Burns, Brian Lack *et ol*), and you might see some of the King's Troop Royal Horse Artillery coming out from the harracks.

A substantial proportion of property In the district is still managed by the Eyre Estate, although parcels of land have been sold off over the years. Named for the family and built by a Mr White, was the Eyre Arms on the corner of Wellington and Grove End Road, a favourite place for balloon ascents in the 1830's. Now Eyre Court stands on the site and Andrew Cowan Real Estate, 41-47 Barrow Hill Road, N.W.8., has two apartments there for sale at £79,000 and £240,000 respectively.

There Is usually a selection of places for sale, some with a view of the cricket ground at Lord's View or Century Court. A two bedroom, two bathroom apartment at the latter block was recently on offer at £150,000 through Mr Peter Joy, Chestertons (01-286 4811). At Ascot Court, Grove End Road, modernised one bedroom apartments are from £45,000. Brochure from Mr Martin Mitchell, Winkworth, 103 St. John's Wood Terrace, NW8.

Large apartments are always in demand, and Prince Regent Court at the southern end of Avenue Road at its junction with St. Edmunds' Terrace bas been marketed from plan by Hampton and Sons's St. James's office; of the 18 apartments originally offered, only three remain unsold, with a buyer from Kuwait purchasing four units for a total of £1.2m—three for bis family and one for staff.

The Terraces in Queen's Terrace, developed by London and Leeds Investments, part of the Ladbroke Group, was opened recently by the Lord Mayor of Westminster Councillor Thomas Whipham. Here 999-year leases of apartments with circular sun-terraces are on offer from £220,000 to £775,000 for a four bedroom, three bathroom, 4,840 sq ft penthouse with a roof garden as well as a terrace. There is 24-hour resident porterage and a closed circuit audio-visual entryphone system. Joint sole agents are Hampton and Sons, Aylesford and Co and Lassmans and there are three lavishly furnished show units for seven-day viewing.

Detached houses, period or otherwise command good prices in the Wood. In Springfield Road a traditional Georgian-style five bedroom, three bathroom property, complete with porticoed entrance, built in 1958, is £265,000 for a 73-year lease. (Details Mr Stephen Benjamin, Druce, 54/56 Baker Street, London W.1).

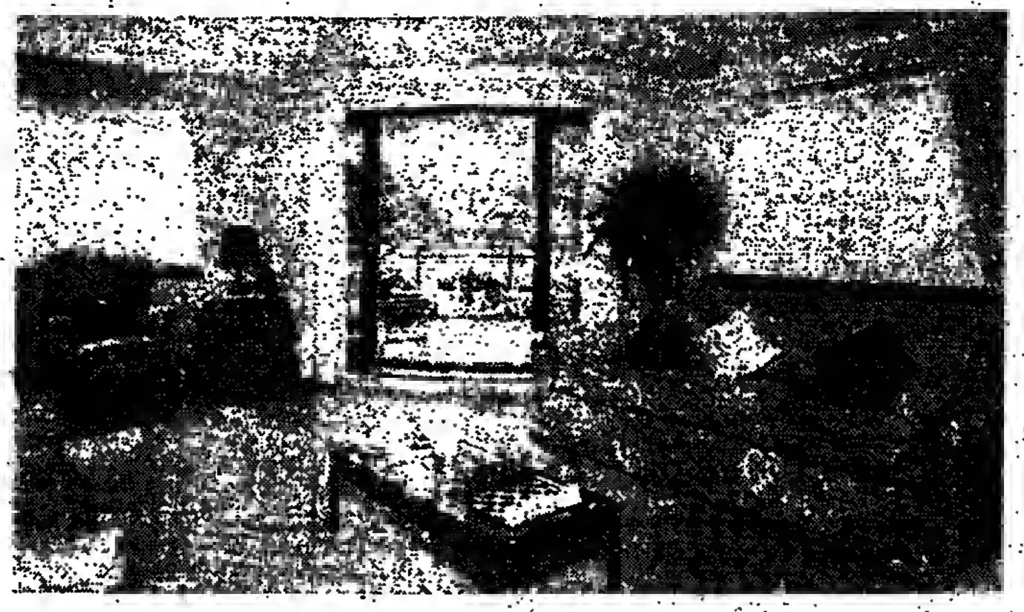
A period house in Elm Tree Road, which backs on to Lord's cricket ground (brainchild of Thomas Lord, Yorkshireman born in Thirsk in 1757), is for sale by the M.C.C. on offers in the region of £295,000. There are seven bedrooms, three bathrooms and a large living-room with carved wood fireplaces, original cornices and mouldings plus a balcony leading to a garden full of rose trees. The handsome Georgian dwelling is what agent Mr Tony Botham of Chesterton's Clifton Road, W.9. office refers to as "a typical English gentry bouse which needs some refurbishment to restore it to its former splendour."

And right next door, 10 detached houses are being built in similar grand style by the Crestline—Construction Group, with Walter Lawrence responsible for the next pbase in March. Architects are Igal Yawetz and Associates and prices are £750,000 to £1½m. This is a hefty sum for houses, which bowever impressive looking, stand practically cheek by jowl and from where one does not get a view of Lord's, only the nolse from spectators in the Warner's Stand as they applaud a boundary hit. Marketing is planned to start in the middle of the month through Mr Nicholas Underhill, Hampton's Hampstead office.

Crestline Construction incidentally, specialise in high quality refurbishments for wealthy foreign clients. They can provide an extra storey on your house without you having to move out, or dig down into the basement to provide a stylish underground palace. Contact Mr John Blay, chairman, Crestline Construction, The New London Centre, 168 Drury Lane, London, WC2, for details.

Five bedroom house in Hillside Close at the back of Carlton Hill, St John's Wood, NW8, with an asking price of £375,000 for the 96-year lease.

Details Steve Truman, Westside Estates, 26 Wigmore Street, London, W1 (01-486 9466)



Show apartment at The Terraces, St John's Wood, NW8, developed by London and Leeds Investment, part of the Ladbroke Group, where large apartments are on offer from £220,000 for 999 year leases. Viewing through joint sole agents Hampton's (01-493 8222), Aylesford's (01-351 2383) and Lassman's (01-409 2020).

CHESS

LEONARD BARDEN

THE AUTUMN circuit of small master tournaments at Lewisham, Ramsgate and Brighton again proved its value in 1982 as an opportunity for rising players to bridge a difficult gap. Britain now has a large representation of international masters, but they have few opportunities to aim for grandmaster, the highest chess title next to world champion.

Only some 200 GMs are in active competition, and Fide has stringent limitations on the type of event which can qualify new holders. A GM tournament must have three existing GMs, and any title qualifier must meet a minimum of nine opponents whose average strength is at least international master. The qualifying score is so high that in most tournaments there is at best one serious contender for a GM norm.

Autumn circuit organisers, like those at the well-established Lloyds Bank and Benedictine events, consider it a major point of policy to provide a possible GM norm for anyone good enough. Practical results demonstrate the difficulty of the task. Till this year only two players, Fedorowicz and Peters of the U.S., had achieved GM norms on the British "Swiss system" circuit.

The 1982 Regency Masters at Ramsgate may have provided the break-through of a British GM norm. Fide's complex title regulations are sometimes modified by case-law precedents and political arrangements inside Fide's qualifications committee, so it is hard to be more definite.

Ramsgate began immediately after Lewisham, where the home players swept the board. Plaskett was first with 6½ out of 9, while Hodgson and Condie who shared second place with Fedorowicz both achieved IM norms as teenagers. At Ramsgate, it was Mark Hebden, the young Leicester expert who has advanced from weekend congress player to international master, who took the eye. Always in the leading group, he drew with GMs Kurajica and Nunn and finished with three wins to take first prize.

His total of 7½ out of 9 exceeded the GM norm by half a point. Or did it? The problem was that there were only a bare minimum of three GMs in the tournament, and one of these, the Hungarian Forintos, was in such poor form that he could never reasonably be paired with Hebden. There have been a number of cases where the Fide committee has waved through a title qualification when part of it was doubtful if it was watertight in other ways. If Hebden completes his GM ambition in another event, his extra half point over the norm could count in his favour. His case may eventually depend on a closed door deal in a Fide committee — unsatisfactory, but an international organisation with 120 member nations functions by its haggles and power groups.

Under new rules, Hebden must obtain at least one of his title norms in an all-play-all event. To the credit of the organisers of the ICL Premier now in progress at Hastings, they realised the situation and offered the Ramsgate winner a vacancy when another competitor had to drop out due to visa problems.

Nigel Short, who many hoped would contend for the GM norm, scored only 50 per cent in the Regency Masters, but John Nunn finished second with 7 points to round off the British success.

This week's game shows Hebden's sharp tactical style and his readiness to innovate. His 2 P-KB4 against the Sicilian Defence is renowned on the weekend circuit, and a surprise sequel is 10 B-Q3 developing the bishop in front of the QP. White's attack advances fast, and already at move 21 there is a rook sacrifice which Black cannot take because of 22 QxP ch and 23 R-B1 ch. Black resigns when a further bishop offer forces mate.

WHITE: M. L. Hebden.
BLACK: R. Britton.
Sicilian (Ramsgate 1982).

1 P-K4, P-QB4; 2 P-KB4, P-Q4; 3 PxQP, QxP; 4 N-QB3, Q-Q1; 5 N-B3, N-KB3; 6 N-K5, P-K3; 7 P-QN3, B-K2; 8 B-N2, O-O; 9 Q-B3, QN-Q2; 10 B-Q3, N-N3; 11 O-O-O, QN-Q4; 12 P-KN4, N-N5; 13 B-K2, N-Q2; 14 P-N5, NxN; 15 PxN, B-Q2; 16 KR-N1, B-QB3; 17 Q-R5, P-KN3; 18 Q-R4, R-K1; 19 QR-B1, B-B1; 20 P-QR3, P-QR4; 21 RxP! B-N2; 22 KR-B1, B-N7; 23 PxN, BxR; 24 RxB, RPxP; 25 N-K4, P-R4; 26 N-B6 ch, BxN; 27 NPxB, K-B2; 28 BxP! R-R1; 29 BxP ch! Resigns.

POSITION No. 456

BLACK (12men)

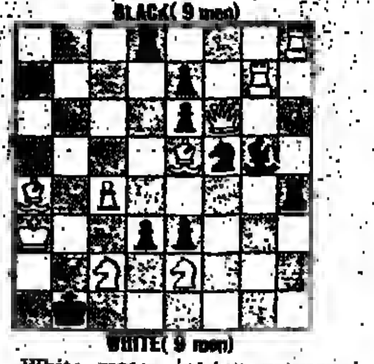
WHITE (12men)

Hebden (England) v. Cam (France), Ramsgate 1982. It is always useful if you can combine a natural chessboard move with a hidden trap. In this diagram, material is level and White's bishop pair is offset by Black's threats to two pawns (NxQP or BxQBP).

White (to play) made an obvious defence to the double threat, which suggested to Black an equally obvious developing reply. But Black's move proved a losing blunder which tournament winner Hebden pounced on for a decisive advantage. How did the game go?

PROBLEM No. 456

BLACK (9 men)



WHITE (9 men)

White mates in two moves, against any defence (by Prof E. Battaglia, British Chess Magazine 1983). The BCM's hint for solvers: "It shows a marked idea which will make a strong impression."

Solutions Page 12

BRIDGE

E. P. C. COTTER

EVEN THE BEST of us make mistakes, but in my first example, which comes from rubber bridge, the declarer played without a glimmer of intelligence:

N.
♠ Q 7
♡ A K 10 6 3
◇ K Q J
♣ K 5 8

W.
♠ A 4
♡ 8 7 2
◇ 10 8 3
♣ J 9 6 4 2

E.
♠ 6 5 3
♡ J 9 5 4
◇ A 9 4 2
♣ A 8

S.
♠ K J 10 9 8 2
♡ Q
◇ 7 6 5
♣ Q 10 7

North dealt at game to North-South and bid one heart, and South replied with one spade. The opener now rebid two no trumps, fully justified by bis 18 points, and South jumped to four spades.

West led the four of clubs, East won with the Ace and returned the eight, which was won by the Queen, West dropping the two. The declarer led the two of spades. West rose at once with his Ace, and led another club. East ruffed, and the diamond Ace put the contract down.

North, usually the most long-suffering of men, told his partner that he had played like a farmer's boy. The play to the first two tricks had shown that a ruff was threatening, and South should have taken precautionary measures to avoid it. North was quite right—West had shown a five-card suit, which meant that East had no more clubs. At the third trick, before be touches trumps, he must set about defusing the ruff. He leads the heart Queen, overtakes with the Ace on the table, and cashes the King. On this he discards his ten of clubs; there is no further danger, and trumps may now be played. Even if West takes his Ace and ... ruff, South over-ruffs, and wraps up 10 tricks.

The second deal comes from a teams-of-four match with aggregate scoring:

N.
♠ Q 9 6
♡ A 10 8 2
◇ K 9
♣ 7 5 4 3

W.
♠ A 7 2
♡ Q 5 4 3
◇ J 5
♣ K 10 9 2

E.
♠ J 8 5 4 3
♡ J 9
◇ Q 8 7 6
♣ J 6

S.
♠ K 10
♡ K 7 6
◇ A 10 4 3 2
♣ A Q 8

With North-South vulnerable, South dealt and opened the bidding with one no trump, which is a better opening than one diamond, and North raised to three no trumps.

On West's opening lead of the two of clubs East produced the Knave, and the Queen won in band. The declarer immediately set about the diamonds, leading the two to dummy's King, and returning the nine, which ran to the Knave. West continued with the King of clubs, South took with his Ace, and cashed the diamond Ace. When West failed to follow suit, the writing was on the wall, and the declarer ended up one trick short of contract.

In the other room, after an identical bidding sequence, South also played in three no trumps, and West again led the two of clubs, but the play diverged at trick two. After winning with his club Queen, the declarer led the two of diamonds, but instead of playing dummy's King, finessed the nine. East won with the Queen and returned a club. South took with his Ace, cashed the diamond King, dropping West's Knave, and with four diamond tricks now certain, led a spade to establish his ninth trick.

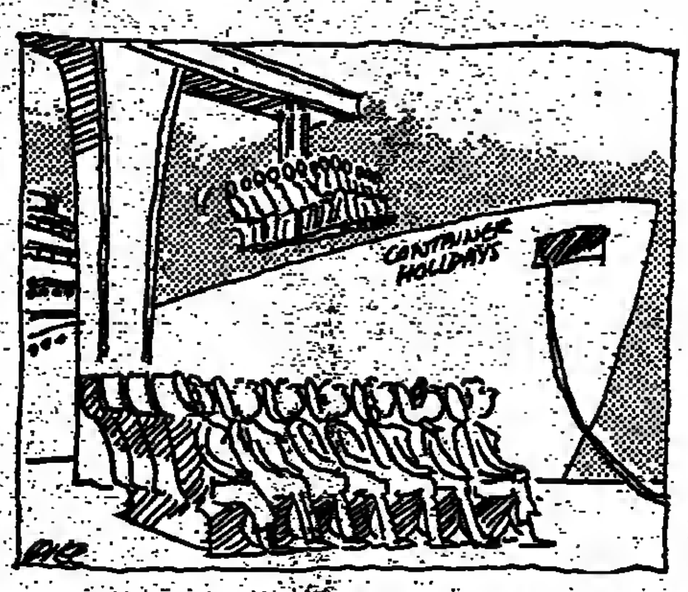
This is not hindsight—it is the correct percentage play. It wins against any 3—3 break of the suit, or against a doubleton Queen or a doubleton Knave with West. To play the King and follow with the nine succeeds only against a 3—3 break, or if the Queen and

LEISURE

When bonding is not enough

TRAVEL

ARTHUR SANDLES



AFTER A YEAR which started with the Laker empire going into a tailspin and ended with the Magic Bus doing a disappearing trick there is now talk of other travel businesses facing difficulties. The tragedy of this is that so often it is the young people, who do not have the money to lose, who are the most frequent victims.

Travel companies who want a seal of approval on their activities usually must have bonds lodged with the relative authorities. Compulsory bonding, however, only applies to air tour organisers. Coaches, holidy camps, villa rental companies, schedule airline and ferry operators all escape such requirements, and in these fields it is very much a question of let the buyer beware.

In some areas, however, bonding has been introduced voluntarily. Coach companies have a bonding system covering dozens of British operators of bus services both within the UK and around Europe. Any travel agent should be able to tell which coach operators are bonded and which are not.

The problem for the young is that such schemes as bonding, or of having accounts subjected to regular inspection which is another aspect of an air tour operator's life, places considerable financial constraints on the sort of entrepreneurial person who tends to pop up in the travel business. A bank guarantee of say 15 per cent of projected turnover to cover the possibility of failure is not cheaply acquired. Sir Freddie Laker's new operation Skytrain Holidays had to find a guarantee of more than £1m before being allowed to take one penny of public money—and that guarantee had to come elsewhere than from Lonrho.

Operating coach tours and ignoring the voluntary scheme is thus a tempting route for an undercapitalised freebooter, as is leasing jets and starting a cut price airline. The three worrying signs for any buyer are: no bonds; no frills (a cost-cutting ploy which is often used promotionally); and no High Street travel agency willing to sell the tickets. There are respectable companies that go through all these red lights and are still dependable, but not many.

That is not to say that the young cannot have adventure any more. But it does mean that they have to be a lot more cautious and their parents may have to be willing to fund the difference between the chancey fare and the secure ticket and simply regard that contribution in the same light as medical insurance.

There are two books that I would recommend to any seeker for youthful adventure or holiday occupation. The Traveller's Handbook published by Wexas International (£8.50) is a bible of the how to and where to of low cost travel. Not only does it offer basic advice on how to read an airline ticket and what to watch out for when travelling by camel, but it is also a mine of information on health, visas and even basic navigation.

For those who want a little financial return on their travel investment there is Working Holidays, at £2.50, a superb list of short term job opportunities around the world, from the Central Bureau for Educational Visits and Exchanges. It offers details of work ranging from French grape picking to teaching in Mexico, from Spanish archaeology to Korean work camps.

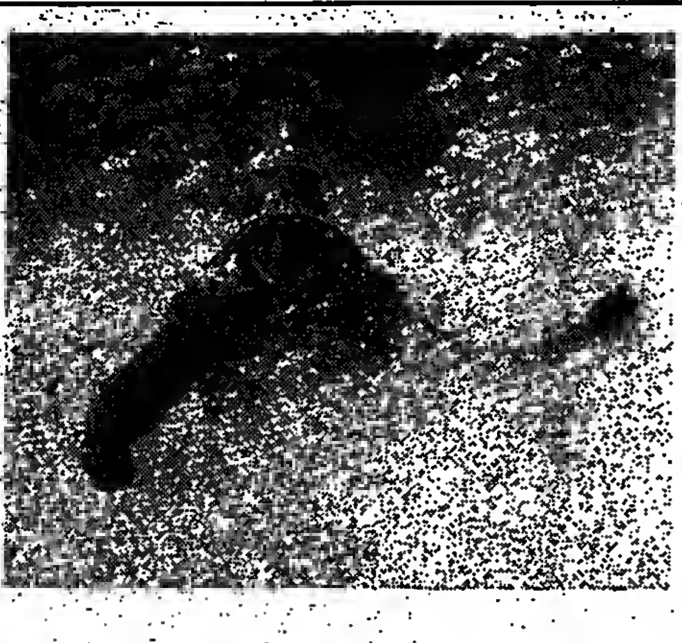
Day two is worse than day one

SKIING

ARTHUR SANDLES

ACHING THIGH muscles are the main legacy of the first few days of the 1983 ski season so far. Those first few runs are a terrible reminder that, like swimming and cycling, you do not forget how to ski, but a summer rest does not make things easy.

Crans-Montana, scene of those first nervous runs, is high enough to have had snow this week, although as in the rest of Europe the weather has been odd to say the least. The ski terrain is ample enough to keep the keenest piste-basher happy, the scenery is spectacular and the villages busy in a jet set sort of way.



I was firmly reminded of the old basics for getting your ski legs back this week. One, always keep your hands where you can see them, early season nervousness shows when your arms swing behind you. Two, boots hurt on the first day of the season. Three, beware the straight down hill leg—bend ze kneez. Four, warmth is the most important thing on the mountain. Five, the second day is always worse than the first. Just look forward to day three.

Skiing I can now report, is still not cheap (a week here with Thomas Cook costs a basic £200-£250) but it is still fun.

SNOW REPORTS

EUROPE		
Arosa (Sw)	50- 70 cm	Worn patches on some slopes
Avoriaz (Fr)	65-110 cm	Heavy slushy conditions
Flaine (Fr)	35-180 cm	Upper firm snow on a hard base
Grindelwald (Sw)	10- 30 cm	Only highest pistes open
Ischgl (Aus)	10- 70 cm	Worn patches on lower slopes
Isola 2000 (Fr)	90-120 cm	Slush on lower slopes
St Anton (Aus)	5-130 cm	Good skiing above 1800 metres
St Moritz (Sw)	40-140 cm	Hard snow on most pistes
Seefeld (Aus)	10- 15 cm	Ice and slush on some runs
Verbier (Sw)	10-110 cm	Good skiing above 220 metres
Wengen (Sw)	5- 40 cm	Upper bare and icy patches

European reports from Ski Club of Great Britain representatives.

THE U.S.		
Squaw Valley (Calif)	60-108 ins	Manmade packed powder
Park City (Ut)	0- 69 ins	Packed powder
Stowe (Vt)	0- 16 ins	Manmade snow
Hunter (NY)	6- 53 ins	Powder high. Manmade lower
Sugarbush (Vt)	1- 10 ins	Mainly manmade
Aspen (Col)	16- 28 ins	Hard packed

Figures indicate snow base at lower and top stations.

You must be patient with peonies

GARDENING

ARTHUR HELLYER

ONE OF the hazards of buying plants for delivery by mail is that one can never be certain when they will arrive. Half-a-dozen peonies which I ordered at a show in June turned up in December when my soil was very wet and cold.

Under the best of circumstances peonies are not easy to transplant for they lack the masses of fibrous roots which allow some plants to establish themselves quickly. The thongy roots of peonies are much less able to cope, especially if they have been broken, as is usually inevitable.

So, even with the best of conditions, one must be patient with peonies, allowing them a year or so to settle in before expecting a full return of flowers. I decided not to risk my plants out of doors immediately but instead to pot them individually and keep them in an unheated greenhouse until the spring so that they could have a good start.

Because of their thongy roots all coming from a common crown which also bears the growth buds, herbaceous peonies are difficult to divide and so are slow to increase and no doubt this accounts for the lack of enthusiasm which most nurserymen show for them. From their point of view these are not profitable plants, yet it was not always so for in the early years of the century peonies were very popular and new varieties were being raised in considerable numbers. Now only Kelways of Langport, Somerset, maintains a considerable selection and the number of varieties that can be found in garden centres is pitifully small.

To so great an extent was the breeding of herbaceous peonies in Europe concentrated in a couple of decades at the turn of the century that Graham Thomas has suggested they might be called Edwardian peonies to distinguish them from other races such as those that have been produced in America mainly by the late Dr A. P. Saunders and his daughter Silvia.

They have used a much wider range of species than the French and English breeders who relied mainly on Paeonia lactiflora, a Chinese peony, but it is astonishing in the British market. Defender, a magnificent single variety with a great bunch of golden anthers in the centre of a crimson bowl, is about the only one that is well known, yet there are dozens more that sound fascinating, including hybrids from *Paeonia tenuifolia* which has leaves finely divided into many narrow segments.

It is a first class foliage plant and its single carmine flowers are most attractive while they last but they are flimsily built and regrettably short lived.

I do not know of anyone who is breeding Chinese peonies now and probably it would be rather a dead end. The Edwardians seem to have extracted every conceivable variation of colour and form from *Paeonia lactiflora*. The colour range goes all the way from white to crimson with touches of cream—but no deeper shades of yellow such as might be contributed by *P. mlokosewitschii* another of the species which the Saunders are said to have used.

Flower shapes in the Chinese peonies fall into three main groups, singles, full doubles and semi-doubles in which there is a "bowl" of broad outer petals containing a filling of crowded, narrow segments which are really stamens transformed into little petals or petaloids. These are usually called Imperial peonies and I find them the most attractive of all but there are not anything like so many to choose from as the big, full petalled doubles.

Four of my new varieties are Imperial peonies. Bowl of Beauty is one of the best known and most beautiful with a big soft pink flower containing a huge tuft of creamy petaloids. English Princess seems to have disappeared from the Kelway catalogue in recent years but the firm still grows it and it might be described as a paler version of Bowl of Beauty with blush pink outer petals and nearly white petaloids.

The third in my order is [illegible] combination of rose pink bowl and silvery pink filling. The fourth is Crimson Glory in which both petals and petaloids are red but the latter are touched with yellow. Amongst others I specially recommend Globe of Light with rose-pink petals and yellow petaloids.

The most popular double flowered peony, judging from the number of nurseries and garden centres which stock it, must be pink Sarah Bernhardt, and the name reveals just how old it is. Others that are fairly easy to come by are Felix Crousse, deep rose; Festiva Maxima, white with splashes of crimson; Karl Rosenfeld, crimson; Mons. Jules Elie, silvery pink; President Poincare, crimson and my own favourite double peony Duchess de Nemours which is white with a touch of cream.

The two doubles I have just acquired are Laura Dessert, which Kelway's describe as the yellowest double herbaceous peony and Shirley Temple, pale pink fading to white. Many more are still grown at Langport and long may it continue to be so.

It would appear that the common or European peony, *Paeonia officinalis*, lacks the genetic variability that has made the Chinese peony such a good breeder's plant. Though it grows wild in southern Europe and has certainly been cultivated in British gardens since Elizabethan times, it has only produced a few garden varieties.

Most popular of these are the full doubles Rubra Plena, crimson, Rosea Superba Plena, pink and Alba Plena, white. J. C. R. Weguelin is one of the few singles available, a good crimson, Anemoniflora Rosea is a semi-double with red petals and deeper crimson, yellow edged petaloids. Some nurseries list it as if it were a separate species under the name *Paeonia anemoniflora*. All these European peonies flower in May, several weeks ahead of the June flowering Chinese peonies.

Other genuine species appear occasionally. *Paeonia mlokosewitchii* has primrose yellow flowers and soft grey-green leaves and is one of the earliest to flower in April and early May. It should be given a popular name that would be easier to remember and pronounce.

Paeonia peregrina can also be obtained fairly easily though it is usually listed under its old name *P. lobata*. It has single scarlet flowers, a purer red, I think, than any found in other peonies. A specially good form has been named Sunshine. Like the common peony this species flowers in May.

RACING

DOMINIC WIGAN

FOLLOWING that tremendous effort in Kempton's King George VI Chase on Boxing Day Fifty Dollars More is the obvious choice for today's Anthony Mildmay, Peter Cazalet Memorial Chase at Sandown. However, Sheikh Ali Abu Khamsin's Cheltenham flag bearer will be at prohibitive odds and anyone looking for "value" will probably do better to consider a small each-way interest in Lesley Ann.

The one time leading Gold Cup mare has been slowly returning to form after many months in the doldrums and, to my mind, put up her most encouraging performance for some time when third to Fifty Dollars More at Sandown. [illegible] Sent there for the Bradstone Mandarin Chase Lesley Ann was well in touch when slipping up approaching the turn into the home straight. The mare, who was meeting Josh Gifford's winner, Earthstopper, at level weights, receives 8 lb from Fifty Dolars More this afternoon and will be giving Richdee just 1 lb. That concession should be within her compass.

Whatever their fate with Fifty Dollars More, Winter and Francome are virtually assured of adding to their respective tallies for Usurping, Oscar Wilde, Young Lover and Aarborum are also in action on the course which has seen 26 Uplands winners since the start of the 1977 campaign.

The best bet from that quartet looks to be Young Lover, who had the misfortune to be pitted against an obviously smart recruit from at Kempton on December 27. Young Lover, 25 lengths clear of the third placed Deep Ridge, ran a gallant race in defeat and it will be no more than justice if he returns to winning form. He is preferred to the more experienced Hawkbarrow.

Ashley House put up an encouraging performance on his seasonal debut over Christmas, but he probably still needs another race under his belt before producing his best and for this reason Lewis Homes looks a safer bet for Haydock's big chase, the Portal Developments Grand National Trial.

SANDOWN

1.00—Henry Kissinger
1.30—Usurping
2.00—Jack O'Lantern
2.30—Lesley Ann (e.w.)
3.00—Young Lover***
3.30—Fitzwarren

HAYDOCK

How not to get the skids under you

MOTORING

STUART MARSHALL

WOULD YOU buy a tyre that reduces your car's fuel consumption by up to 10 per cent, withstands speeds that make normal radials disintegrate, offers potentially longer life, can be any colour you like and could cost less than today's tyres?

In the mid-1980s you will probably be able to. It is called the Polyair LIM (for liquid injection moulded) tyre and, you may be surprised to learn, it exists now. At the end of last year I went to a remote part of Austria to try it.

I drove a couple of identical BMW 3-series saloons, one on LIM tyres, the other on the conventional steel belted radials on which it had left the assembly line. A test driver from Polyair and I swapped cars every 20 minutes as we spent a morning lapping a 30-km road circuit of my own choosing. There were long straights, 85-90 mph bends, sharp corners taken flat out in second gear and dirt tracks across farmland. I did full throttle standing starts and panic braking with all wheels locked. The differences between the two kinds of tyres' performance were slight.

Cornered hard, the LIMs squealed whereas the radials only whimpered. They broke away a fraction earlier than the radials if pushed beyond the limit of grip. Otherwise, I found it difficult to recall which tyres I was driving on, though the LIMs, I thought, were a little more comfortable on rough roads and made the steering lighter at low speeds.

I could not check the fuel consumption improvement on LIM tyres but a 10,000-km test recently conducted by the Venezuelan Government showed a 9.95 per cent advantage over locally made steel radials. Nor could I assess their wet grip, though an official German test institution has reported that they are now the equal of family car-type radial tyres.

The LIM tyre is revolutionary. All it has in common with ordinary tyres is its shape. Those on the BMW I drove were indistinguishable at a glance from rubber tyres because they were black, though they could just as easily have been bright red, blue, yellow or any other colour.

A Renault 9 owners' club is improbable, an enthusiasts' club unthinkable. Its styling is bland to the point of anonymity; it is mechanically unexciting but a thoroughly efficient package. The automatic version of the Renault 9—last year's Car of the Year Award winner—is exactly what one would like to rent at a foreign airport on a wet night in winter. It is quiet, compact, comfortable and eager to get on with the journey, with light controls and all-independent suspension giving a good ride over cobbles or concrete. The 3-speed automatic, electronically controlled, is Renault's own. It gives quick, jerless acceleration and doesn't harm fuel economy unduly. My test car returned 31 mpg despite lots of cold starts and short journeys and a fairly heavy throttle foot on the motorway. The price is £5,378, which includes a high level of equipment and a five-year anti-corrosion warranty.

But the LIM's secret is that it is made from polyurethane and has no casing of any kind. A normal tyre, on the other hand, is assembled by hand from an elaborate combination of textile and steel cords and various rubber components. It is then vulcanised and shaped in a steam-heated press. A LIM tyre is made simply by squirting hot liquid polyurethane into a mould. Just like a plastic washing-up bowl, for example.

Polyurethane is a more expensive material than the synthetic rubber compounds used for normal tyres. But a LIM factory requires only a fraction of the capital investment of a normal tyre plant. Its production needs little energy and almost no labour. Two operators tend a computer controlled machine that can make up to 18 passenger car tyres at the same time.

Polyair are not in the tyre business; they design and build machinery on which a large proportion of the world's shoes are produced. Their first polyurethane tyre was made public in the mid-1970s and sets were supplied to conventional tyre makers for evaluation. At that time their performance was nothing like as good as that of a radial tyre. Oscar Schmidt, managing director of Polyair and one of four brothers heading the company, explained: "We only wanted to show that the process of making a LIM tyre was practicable and we hoped the established industry would co-operate with us in its development. But they gave us the cold shoulder and we have had to go it alone. Now we are able to make better tyres than they can."

The first LIM tyres used the same polyurethane mixture for the sidewalls and treads, as do the large all-yellow farm and earthmover tyres Polyair have made by the hundred—some of them 11 feet tall. But the car tyres now have a springy mixture for the sidewalls, a softer one for the tread which feels and performs like a synthetic rubber compound. Oscar Schmidt exudes confidence. "We know the LIM tyre must win in the end. It is a better product and, if everything is taken into account, it is much cheaper to make."

Is Schmidt's optimism justified? All the major tyre firms in the world have been experimenting with cordless tyres made from polyurethane. None has yet claimed to have one that is suitable for cars, though golf carts and similar slow moving machines have been fitted with them. If the tiny Polyair company, with fewer than 200 employees, has won the race to develop a viable liquid injection moulded tyre, the implications for the established industry are horrendous.

"They could gradually go out of business unless they convert to our process," said a beaming Oscar Schmidt, who seemed unworried by the prospect. He sees his LIM tyres being made in car plants as just another operation on the assembly line. And large tyre dealers could have their own manufacturing plant "out the back," in much the same way as they now have retreading shops.

If it sounds far-fetched, think how the film industry fell about laughing when television flickered into life in our sitting rooms and they were told it would one day close down most of the cinemas. And in the David v Goliath contest, it was the little man who won.

Thoughts on a touch of spring

COUNTRY NOTES

JOHN CHERRINGTON

THE OTHER SUNDAY I wandered round my farm, enjoying the unseasonable mildness which is helping the winter along. I saw few harbingers of spring but there were definite signs of life; in the fresh green of the winter-sown crops and the pastures. The balmy temperature discouraged hearty exercise, and gave the opportunity for reflection and contemplation.

During the past 40 years I have been as active as anyone in reorganising field boundaries, that is grubbing out hedges, reclaiming cut-over copses to economic use as pasture and arable, and other crimes decried by the conservation lobby.

But there still seem to be an awful lot of trees left standing. A lane runs through the farm with the trees untouched on both sides. In a mile stretch I counted 200 hardwood trees; oak and ash, besides uncounted holly, sycamore, hazel, hawthorn and maple. There is plenty of undercover growth too; blackberry and raspberry, among which, now that the leaves have dropped, I can see the rabbit and rat runs, which are also used by the grey squirrels, tempted out of their dreys by the warmth.

There are not many rabbits these days, myxamatosis comes and goes keeping them nicely in check. Their going has been of great benefit to farmers, but I believe has indirectly contributed to the way in which the honeysuckle, "Old Man's Beard," is smothering many trees and bushes. Before myxamatosis the rabbits used to keep this plant well under control.

The soft soil of the arable shows the tracks of deer. The tiny slots of the roe, and the larger ones of the fallow both very common in these parts. They are, I think, transients moving freely over the country and sheltering by day in quite small copses. I often see them late in the evening or early morning. They are too few to do much damage to my crops, but they occasionally blunder into the electric fences, knock them down and let the sheep out.

Now and again one is found caught up in a permanent wire fence which it has failed to clear. I won't allow them to be shot on the farm. A shotgun, unless at very close range only wounds, and a rifle bullet travels too far to be safe if the deer is missed, or even if it is hit.

On the side of a firwood there is the stink, almost stench of a fox, that hangs to the undergrowth in the still warm air. There seem to be more of them about these days. A neighbour with a big herd of outdoor pigs suspects that they help themselves to the piglets which are born in the primitive shelters. This is quite likely. A fox shows no fear of domestic animals, and a sucking pig must be a tasty meal.

But they don't like electric fences and provided the bottom wire is at the right height it will keep them away from lambs and other vulnerable stock.

I carry a gun with me to see if I can bag a cock pheasant for the pot, and also to try and reduce the number of crows and magpies which are the biggest threat to the smaller birds, as well as to the game birds. I notice that pigeons are flying up a hedge line, on the way to feed on my neighbours oil seed rape. So I bide in a holly bush. I loose off half a dozen times but they seem to know the exact range of my gun and fly on unscathed.

As I turn for home a pair of partridges take off from the new wheat and skim away into the distance a sure sign that the coveys are breaking up and the birds' thoughts are turning

BOOKS

Poetry now

BY ROBIN LANE FOX

Surfacing from a big batch of poetry, I am impressed by its range, often moved by its humanity, and convinced that English poetry offers more good reading now than at any time in my adult life. The idiocies of the 1960s have disappeared without loss. A poem looks and sounds like a poem and the works of older poets who ignored the self-indulgence and clichés of the Campus era 20 years back are coming up for their second collections and mature harvesting.

Among all this, Adrian Mitchell's strident work from 1952-1979, For Beauty Douglas (Allison and Busby, £4.95), reads like a loud song-sheet from distant past, funny though he can be at his full-blooded best.

New talent is thick on the ground, reminding me of the early 17th century's literary scene. Socially mobile and university educated, they are poets who are not ashamed of wit, versatility, and short poems of "strong lines" and arresting images. Anything longer than two pages is a rarity, although a longer form might suit the autobiographic odyssies from border-land Britain to NW1 or a minor lectureship, which give some of the lesser talents most to say.

These poets' options are well put in Tom Disch's collection, Burn This (Hutchinson, £7.50), whose title should not deter you. Disch's clear style is usually intelligible and often very witty. He has collected poems about writing poetry, including a brilliant sestina on the sestina's own formidable rules, and a Long Poem about writing a long poem which is the best seven-page stretch in this entire bunch.

Most of our poets have given up pointless obscurity. Alastair Fowler's has never been pointless, and it reflects on me, not him, that of the 29 poems in his From the Domain of Arnhem (Secker, £4.95) I have so far understood only three. Medbh McGuckian is difficult in a different way, and although The Flower Master (Oxford, £4.00) comes with glowing reports and previews, I find it exotic in its imagery and impenetrable in its reference. John Fuller has an Augustan fondness for riddles, and perhaps too much of a fancy for *outré* proper names. But although he makes you puzzle, his brief poems in Waiting For The Music (Salamander Press, £2.50) have a unity of tone. They reflect on change and transience in a style which stands out in this company, an elegiac sequence on life and music.

Who, though, will move you, going straight for the emotions? Unhesitatingly, I name U. A. Fanthorpe as the poet who can suddenly hit you below the heart. Her *Side Effects* (1978, Harry Chambers / Peterloo) struck an assured, new note which Standing To (Chambers/Peterloo £3.00) continues without a tremor. A former schoolmistress, she now works full-time in a Bristol hospital and began publishing poems at the age of fifty.

I read her with trepidation, fearing from the poems' homely titles that it would all end with a dreadful bump. But it never did, and the human observation, pathos, and imagination of her work are open gifts to anyone. Hospital life gives her some cues, but her range goes far wider, from fancies on London's lost rivers and Ucello's paintings to her tribute, which moved me quitely deeply, to Virgil. "Are there others like me," she asks in Standing To's title poem, "Encoding what they see, 'Abandoned by Higher Command?'" Indeed there are, but none quite like this poetic sentry on watch.

Heather Buck's At the Window (Anvil Press, £3.75) is also the first book of an older woman, and it proclaims a debt to her Jungian analysis. Yet it is not always elusive, and has a talent well seen in its final sequence on the biblical story of Tobias.

David Sutton's Abstracts and Celebrations (Phoenix, £5.95) has the same straight sensitivity which marked out his first book and which turns up here, too, in

Alastair Fowler: verse with point

memorable poems on families and friendship. John Hartley William's Hidden Identities (Chatto, £3.96) is a contrast, all too true to his aim of "fiction by ellipsis." Charles Boyle describes his House of Cards (Carcanet, £3.25) as "ragged and clumsy, like the process of living." The result belies him: a young poet's book with signs of human insight and a way with words.

Hesitant, shoring up fragments of a passing life, these younger poets should look to their contemporary, James Fenton. His Memory of War (Salamander Press, £6.95) collects the poems which have marked him out for his depth and variety, verbal wit and the plain expressions of great tragedy.

The rest mostly fall into two piles: those who play up landscape and local roots, and those who aim to "make poems and moral statements grow from everyday, routine events." Of the latter, William Scammell's A Second Life (Harry Chambers, £3) has a command of metre and satire and a mixture of spirit and sadness which I prefer to the full-blown manner of Philip Oakes' Poems (Deutsch, £5.95). Tony Connor's many admirers will welcome his New and Selected Poems (Anvil, £4.95) in an easier, homely vein; while Vernon Scanell's Winterlude (Robson Books, £3.95) is not to be confused with his near-namesake. At ease with form and clear language, he travels tellingly through human strains and intimacies and adds some lighter verse with its own accomplished humour.

The landscapers are a sorry lot. They are still trudging the the old downs and moorland furrows, playing up some spurious "local" image and dramatising their own exile to something called The Countryside. George Macbeth's Poems from Oby (Secker, £4) sum it all up, in a self-indulgent wallow in new roots.

It is all so false to the truths of our beleaguered landscape, lost in the myth of "regional" style and timeless old bones and stones. An age which has wrecked most of its countryside has also lost its landscape poetry. That is a pity, for in every other branch of poetry you can feel, with Vernon Scannell, "here comes one, No style at all, untrained and fat, Who still contrives to knock you flat."

All sons of Adam

BY GEORGE WATSON

The Idea of Race in Science
by Nancy Stepan. Macmillan, £20. 230 pages

Historians at work on race usually begin by dismissing their subject as a total web of insanity or, at best, a series of monstrous errors. Nancy Stepan, a Scottish historian at Yale, takes a cooler view. Though it is a long time since any of us heard the word "racialist" except as a term of abuse, she maintains her analytical temper almost to the end, and even manages to hold condescension at bay.

That is an achievement. Her story—largely confined to Britain—stretches from 1800 to the 1970s, by which time Sir Cyril Burt had been exposed as fraudulent, and the story of scientific racialism seemed definitively closed. The whole idea is brief and recent, then. Early and medieval Christians, like Renaissance humanists and men of the Enlightenment after them, had seen humanity as sons of Adam; fundamentally one.

That universal view was shaken in the early nineteenth century, at least in scientific opinion, by a new sense of man as governed by biological laws. Dr Stepan limits her account to experts, and her claims need to be seen in that light. There is no evidence that ordinary Victorians were usually racialists; none that British Imperialism was based on racialism; and there is plenty of reason to think that many leaders of opinion in that age were hostile to the whole idea. John Stuart Mill, who as a non-scientist understandably remains unmentioned here, rebutted Carlyle on the negro question in trenchantly liberal terms. Charles Darwin may have been the cause of racialism in others, but he was a Liberal himself.

On the other hand, socialists could be racialists—partly because they tended to be credulous of science, partly because their quest for equality drew them to an ideal of uniformity. Marx and Engels, who are also unnamed here, publicly expressed views in favour of racial extermination, and Stalin publicly accepted them: facts now conveniently forgotten by Marxists in the West. So are the declarations in favour of racial extermination by such English socialists as H. G. Wells and Havelock Ellis. We are now so carefully nurtured in the view that racialism is right-wing that its leftist origins go unnoticed.

The essentially British scope of this book guarantees a less heady atmosphere than all this, and its concerns are more technical: with phrenology, eugenics and intelligence testing. No British political party in Parliament has ever been publicly dedicated to racial extermination—a highly exceptional fact in modern Europe. Dr Stepan dives into more controversial waters in her last chapters, where she briskly calls the Nazi killing of six million Jews "the single greatest crime in the history of mankind." That is perhaps more than anyone can certainly know. There are those who estimate Soviet extermination at over 20 millions, and Maoist too.

She can only be right, however, to insist that Nazi theory had "received its sanction in science," though it is likely that Marxism-Leninism, or "scientific socialism," was a greater influence on Hitler than the biological theories of Francis Galton or Alfred Russel Wallace. Marx was an influence Hitler often privately acknowledged, after all.

The truth is that the debates of the London Anthropological Society were small beer even in British intellectual life; often unnoticed by intelligent men here and abroad; and almost wholly outside the stream of politics. Revolutionaries admire revolutionaries rather than discussion-groups, and Hitler's inspiration lay less in anthropology than in those who preached violently about a coming socialist millennium.

The scientific detail of this book, unrelenting as it is, will make it valuable to specialists. It might have been illuminating to emphasise that many uses of "race" in Victorian Britain (most, perhaps) are cultural and have nothing to do with genetically hereditable characteristics. We have somehow lost the gift of seeing that racial discrimination might, like Matthew Arnold's view of Celts or George Eliot's of Jews, be reverent and admiring.

But the book still has an important point to make about science itself, and it would serve a vital purpose if it persuaded us to stop using the word as a synonym for truth. Science is pseudo-science that has not yet been exposed. As for race biologically understood, it is a topic no one nowadays is allowed to be agnostic about, and to suggest that claims to racial superiority are neither proven nor disproven is to convict oneself of vanity, snobbery or Fascism. A pity. The simple truth, for all that, is that claims to racial superiority have neither been proven nor disproven.

Gentle stuff

BY PETER KEATING

The English Gentleman: The Rise and Fall of an Ideal
by Philip Mason. André Deutsch £9.95, 240 pages.

In a notorious passage of his autobiography Anthony Trollope claimed — fully conscious of his "daring" in doing so — that "there are places in life which can hardly be well filled except by "Gentlemen."" He admitted that he was unable to define the term with any precision, but felt confident that his readers would know what he meant. And of course they did, or at least thought they did which in this particular instance amounts to much the same thing.

Philip Mason's approach in *The English Gentleman* is as cheerfully vague as Trollope's: he even argues that one reason why the idea of the gentleman became widely accepted in England was *because* "no one was quite sure who was a gentleman and who was not." This curious uncertainty comes largely from two different, and often conflicting, points of emphasis, one of which is moral and the other social. The social interpretation gives priority to birth, breeding and authority: the moral interpretation tends to regard the defining qualities as grace of manner, kindness, courteousness (especially to women), and modesty, none of which is the prerogative of any particular class. The clash between the supporters of these two definitions stretches back at least as far as Chaucer: his pilgrims spend a good deal of time on their way to Canterbury arguing about the true meaning of *gentillesse*.

Philip Mason is concerned less with settling this issue than with tracing some of the ways in which the idea of the gentleman has changed over the centuries. Although his main focus is England he manages to achieve, through well-timed comparisons, a Plato's Guardians; consideration of how Rome modified Greek ideals for its own imperial purposes; some observations on India from Mason's personal experience; and a number of useful historical contrasts drawn between France and England.

For most periods of English history Mason bases his discussion on a representative figure, from either life or literature. He takes Chaucer's Knight for the later Middle Ages, Sir Philip Sidney as the type of Elizabethan courtier, Lord Chesterfield and Squire Western as contrasting Augustan specimens, Jane Austen's Mr Knightley and Captain Wentworth as the eighteenth century moves into the nineteenth, Trollope's Duke of Omnium for the Victorians.

There are inevitably criticisms that could be made of a book like this that tries to cover so much ground in so short a space: too much attention is given to imaginative literature and generalisation comes too easily at times. But on the whole the survey is conducted sensibly, with good humour and reliable taste. Mr Mason is at his best when he can convey ideas through anecdotes about the great eccentrics: they were not always the purest of gentlemen, but they are certainly the most entertaining to read about. Men like Thomas Assheton Smith who was wealthy enough to boast, "Except for my father I am the worst tempered man in England"; and the remarkable George Osbaldeston who was dubbed "The Squire of England" and could, it appears, ride a horse faster, shoot straighter, and fight dirtier than John Wayne.

Philip Mason clearly relishes such characters and he communicates his enthusiasm to the reader. He also supports everything he says with a splendid selection of illustrations, making *The English*

'The AGM—a satisfactory report'—detail from one of many wryly executed watercolours and drawings by Roland Batchelor in the book on him by Patricia Jarrett (Charles Skilton, £9.95). It is subtitled 'a 20th century view of the human comedy.' Mr Batchelor is still hard at work, aged 93

Shakespearean forger cleared

BY PETER QUENNELL

Fortune and Men's Eyes: The Career of John Payne Collier
by Dewey Ganzel. Oxford University Press. £15.00.

On May 14, 1882, an invalid English bookman, then 94 years old, entrusted a pathetic confession to the pages of his private journal:

"I am bitterly and most sincerely grieved [it ran] that in every way I am such a despicable offender. I am ashamed of almost every act of my life."

Seldom has a sense of guilt been quite so poignantly expressed; and a reader is bound to conclude that the despicable offences he remembered must have been linked with a notorious public scandal more than two decades earlier, when he was accused of wickedly falsifying an important piece of literary evidence. At the time, many of his former friends assumed that John Payne Collier had indeed committed forgery; and not a few 20th century critics have advanced the same opinion. Among them was originally the author of the present book. But Mr Ganzel's view has now changed; and he recommends Collier's exculpation in a study of his character and career that fills just over 450 pages.

Collier was a distinguished bibliophile, with an array of learned volumes to his credit. His opponents alleged, however, that, like T. J. Wise in our own day, he had fouled his scholarly nest by means of a cunning and deliberate fraud. His supposed offence, it is true, was slightly less deplorable than that of Wise, who issued a long series of spurious "pre-first editions" of celebrated Victorian writers. But then, Collier had attacked William Shakespeare himself. He was believed to have laid impious hands upon our national poet's sacred text.

Collier's was a fascinating tale. Happening to visit a London bookseller, he said, he had picked out a "much thumbed . . . and imperfect copy of the second folio of Shakespeare 1632," and had purchased it for thirty shillings. Originally, he had taken little notice of his shabby acquisition. But on the cover he saw written, in a crabbed old-fashioned script, "Tho. Perkins, his booke"; and, opening it, he discovered that "there was hardly a page without emendations of more or less importance and interest, and some of them appeared to me highly valuable."

These marginalia formed the basis of a work, entitled *Notes and Emendations*, that Collier gave the world in 1853. It aroused tremendous excitement, despite some scholarly scepticism and even popular derision. There were learned readers who somehow managed to persuade themselves that Perkins, a knowledgeable enthusiast, had probably done his editing not long after the appearance of the Second Folio itself.

Collier was now a made man. At 64, his biographer suggests, he was not a very estimable person — "unhappy and distrustful . . . brusque, supercilious and insecure." As a bibliophile and passionate book collector, he was not invariably upright; he and his friend Frederic Madden (later his most determined enemy), the British Museum's Keeper of Manuscripts, had certainly engaged in some odd transactions over the sale of ancient family archives that they must have guessed were stolen goods.

The great assault on the "Perkins Folio"—or rather, on its written notes—was launched in 1859. Its critics contended that, far from having been written about the middle of the 17th century, or perhaps at a somewhat earlier period, the annotations which covered its pages were comparatively modern; and that words had been

"strangely tampered with, touched up or painted over . . . a modern character being dextrously altered by touches of the pen into a more antique form."

Though I cannot accept Mr Ganzel's theory that Madden was the villain behind the scenes—he pictures the solemn Keeper in his room at the Museum carefully touching up the characters himself to give them an even more suspicious air—and his narrative style is neither light nor easy, he presents us with an admirable problem and a curious biographical portrait. As to Collier's guilt or innocence I cannot pretend I have reached a satisfactory conclusion.

Perhaps Collier was a self-deceiving demi-rogue; but he possessed an obstinate courage; and the catastrophe that befell the "Perkins Folio" clearly failed to break his spirit. He continued editing and publishing; and his books were sold and read. He still had supporters and learned associates, with whom he kept in friendly touch; and his work was warmly praised by Swinburne. His edition of Spenser, which occupied three years of his later life, was undoubtedly a sound achievement.

Fiction

Why on earth did he marry her?

BY ISABEL QUIGLY

Black Annis
by Virginia Moriconi. Duckworth, £8.95. 251 pages

Ancient Enemies
by Elizabeth North. Jonathan Cape. £7.95. 230 pages

The Lucky Alphonse
by H. R. F. Keating. Enigma Books. £5.95. 180 pages

Virginia Moriconi's *Black Annis* is American, but its title comes from Britain, the name of "a cannibal hag with a blue face and iron claws supposed to live in a cave in the Dane Hills in Leicestershire:" a rather too ferocious description of its appalling, pitiful heroine, Mrs Lamarche. This is a story of self-deception, confusion and psychic horror, gradually leading to spiritual darkness and death. What is neither credible nor clear is why the handsome, eligible, popular Porter Lamarche, with plenty of qualities fitting for a normal wife, should ever have married the abnormal and unattractive woman he does marry. That accepted, the rest is realistically credible; more than credible.

Mrs Lamarche (her mother says) "flirts" with the truth. This flirtation grows more passionate and deadly as her life progresses. She sees things as she wants them to be, herself in particular; she talks in quotation marks, archly literary; fails to appreciate anyone around her; fails to have the children her husband longs for. She moves, from the sharp remarks she takes for wit in her youth, to more generalised hatreds; and on her husband's death, learns of his long betrayal.

None of this may sound very terrible or tragic; but the writing is fierce and talented enough to make it so. There is a cackling, hideous comedy about much of it, gradually darkening as dislikes grow darker, deceptions uglier; until at the end rich Mrs Lamarche lies injured and dying in a New York apartment where no-one will find her: she has dismissed her maid (her only friend), and seen off the one or two other who might look for her. The introduction, an overwritten and off-putting piece about the book's conception, is a mistake, I feel; but after that comes fine dark writing about the grosser corners of the soul, intensely felt and horribly exact, but not depressing, often funny.

Elizabeth North's *Ancient Enemies* is told by an English teenage girl in today's teenage language, that is so similar to Salinger's *The Catcher in the Rye* (weirdly, it even ends, like the earlier novel, with the narrator's small sister whirling round on a roundabout) that one sees how the two languages, American English and English English, have drawn closer in the intervening years. The structure of sentences, grammatical quirks, tautologies, all show the clear Americanisation of young speech (which to me sounds pretty convincing).

Petra, at 16, lives with her mother and stepfather in an unrural bit of Hampshire where they keep a smart furniture shop. She is at school, has had several lovers and an abortion, comes from a landowning family, is obsessed by her stepfather, Henry, who comes from nowhere in particular and resents (on and off) his wife's background. One day he vanishes, just fails to come home.

There they are: Petra and her disintegrating mother, six-year-old Daisy, who brought about the marriage in the first place, schoolfriends and a flirty schoolmaster, various cousins, boyfriends and a horse called Troy. Although too long (one can soon have enough of teenage speech rhythms), with a plot so confusing that I could make little of what finally happens, the novel is full of spirit and larks, presence, and sometimes feeling. It rattles amusingly from classroom to Winchester cathedral, from abortion clinic, to night woodland, from one vividly observed interior to another. Often funny and intuitive, and sometimes, in a sidelong sort of way, toughly moving.

H. R. F. Keating's *The Lucky Alphonse* consists of three long-short stories illustrating the perils of being the man in the middle, sometimes falling between two stools, sometimes getting the best of both worlds, in situations respectively amorous, criminal and political.

The first is set in Delhi with Afonso Noronha, Goanese with a Portuguese name, strung between Indian wife and American mistress, both of whom he loves; and between their two cultures beside their totally opposed feelings, attitudes and ways of loving. Ruth is a beanpole, inches taller than Afonso, whey-faced, carrot-haired, unbecomingly dressed, awkward, likeable. Prabhavati is beautiful, scented, oiled, adored, humourous and delightful. It ends sadly.

In the second story we are in Dublin, with Fonsy Noonan, on the terrifying fringes of criminality, strung between the threats of Bruiser Hegarty on the one hand and Sergeant Reagan on the other. He gets the pair of them on toast because he knows too much about them. That one ends gleefully.

The third story takes us to Bismarck, capital of a once-German African state where Prince Loulou has sent for his one-time German professor, Alfons Neumayr, much as King Dionysius sent for Plato, for advice. Alfons, his advice, and Loulou's diamond mines find themselves caught between South Africa to the south, Russia *to the north*, with Loulou's two wives neatly divided in political allegiance between the two. It ends on a political knife edge. There is much low-key charm, and a varied vividness of atmosphere, place, appearance; gentle humour across racial, national, and cultural boundaries.

Doughboy to General

BY JAMES FRENCH

Marshall, Organizer of Victory
by Leonard Mosley. Methuen, £12.95. 570 pages

There was high drama in early 1951. President Harry Truman had sacked America's hero General Douglas MacArthur as Supreme Commander Allied Powers, UN Commander (could a U.S. President do that today?), and U.S. Commander-in-Chief Far East, for disobedience in the Korean War. There was a Congressional inquiry.

MacArthur, a saint to the Right-wing hawks, gave his evidence. He was followed by General George Marshall, the former U.S. Army Chief of Staff whom Winston Churchill accoladed as the organiser of victory changed to allow a General to serve as Secretary of Defence, gave his evidence in his usual persuasive way.

As he left a leading Republican senator, Wayne Morse, said loudly: "I know which of those Generals I trust." And a less well-known Republican senator, Richard M. Nixon, retorted: "And I know which one of them is going to win us the next election!"

Nixon was wrong. Another General, Dwight D. Eisenhower, won the Republicans the next election.

Marshall was a giant—with the odd blemish. Leonard Mosley details how he escaped blame for the inefficiencies that led to the United States being surprised and shamed at Pearl Harbor. Just as well, in view of his subsequent contribution. he was a great team-player, a diplomat, a straightener of ruffled British and Free French feathers.

A non-political general, he became a world statesman as Secretary of State without having been a politician. This is a transmutation one might wish to be repeated effectively; too had we are still suffering from a surfeit of Generals in power.

Mosley has somewhat glossed over the Marshall Plan episode. I should have liked to have learned more about this balm for the war wounds of the world.

But I do not blame Mosley for leaving Marshall as an enigma . . . a dry-as-dust details man, a supreme planner, married to his work, yet one who captured the most ravishing belle of Lexington, Virginia. pedestal-worship only, because of a serious heart-condition.

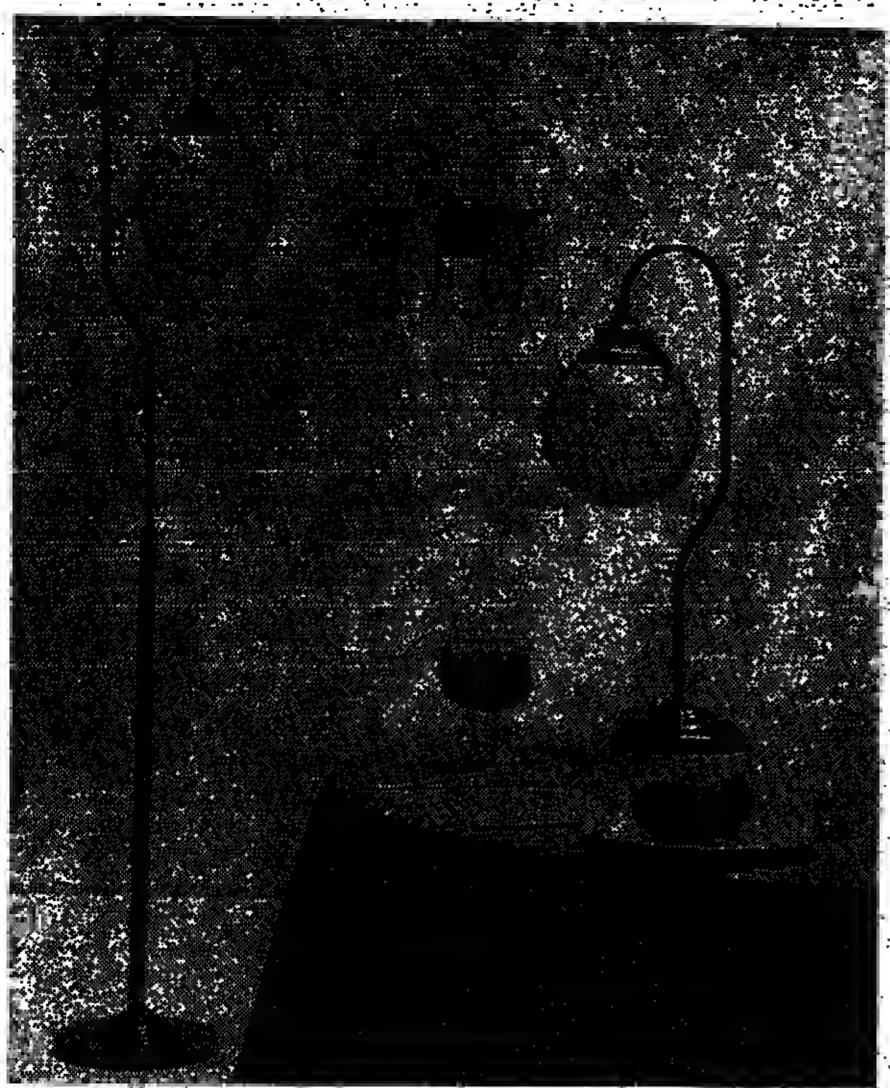
In World War I he was the second doughboy to set foot on French soil. In World War II he was responsible for multiplying the U.S. Army to 10 times its pre-war size, and, more importantly, for seeing that it was well-trained and well-equipped. He could have led the allied armies in the invasion of Europe; Roosevelt gave him the choice. Duty, and the knowledge of other leaders' preferences, stuck him to the Pentagon.

Mr Mosley's is a readable book, which even overcomes three uses of the adjective "perfervid," a word which Marshall would have surely thought too darned fancy. It leaves one wanting to know just a little bit more about its subject and

HOW TO SPEND IT

by Lucia van der Post

Lighting around the globe



LIGHTING seems most of the time to move in two almost diametrically opposed directions. On the one hand there is the school of thought that goes in for highly-decorative, strongly-styled designs, while in the other corner we have the technological or minimalist approach.

For those who are looking for something decorative and easy to use, undemanding on the eye and amiable enough to fit into most existing room schemes, then the British Home Stores larger lighting departments offer an inexpensive hunting ground. Besides the usual spots and streamlined standards the current look offers what you might call the "Bistro" look—opal glass globes held by painted metal looking for all the world as if they have come straight from a French cafe. They are well suited to most domestic interiors, being gentle and unaggressive, with a good light source.

Alternatively, there is a selection of "Art Deco" pottery lights which are a welcome change from all those classic rounded table lamps and which are decorative enough to fall halfway between lighting and sculpture.

For those who like a more technological approach to lighting, preferring it to look uncompromisingly utilitarian, there is currently a great vogue for tungsten halogen floor lamps—these give a great deal of good, clean light, have built-in dimmers so that the level of light can be quickly and easily adjusted but the drawback is the price. Floor uplighters vary between about £150 and £200 and in addition they are expensive to run as they use 300 or 500 watts.

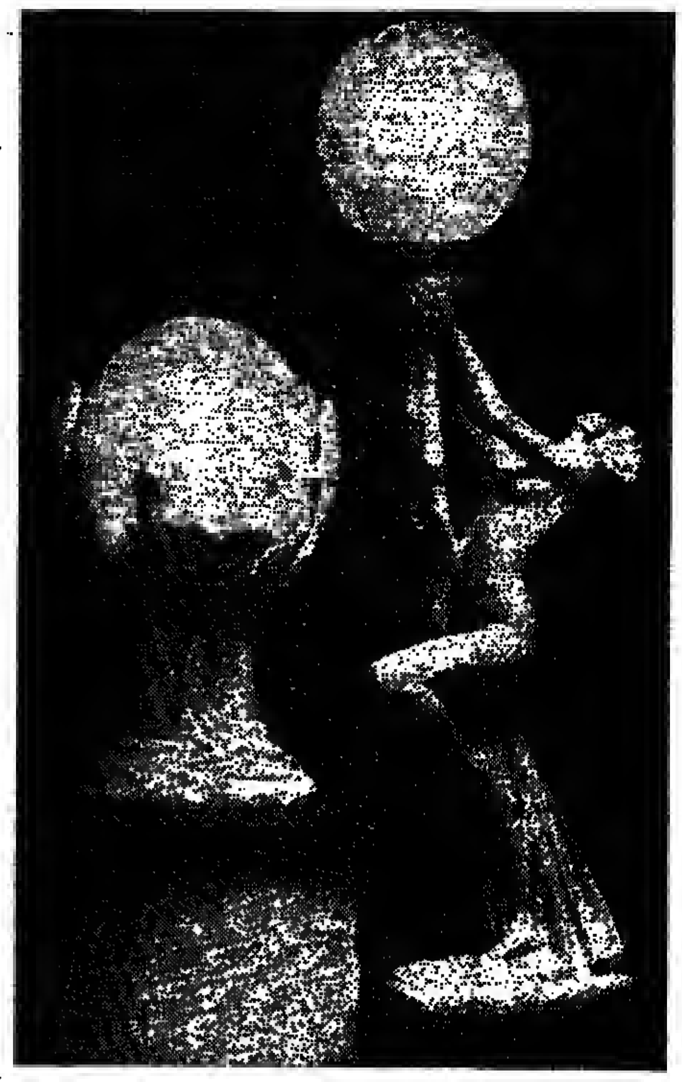
For those who mind about price and running costs the vogue buzz word is "low-energy" bulbs. Both the Thorn 2 D and the Philips SL9 are now more generally on sale and the prediction for 1983 is that more refined and more acceptable designs for these low-energy bulbs will appear on the market.

Anybody who wants to know more about lighting than emerges from the usual fox-trot around a store's lighting department might like to know about the Lighting Workshop at 35-36 Floral Street, London WC2.

For the average shopper probably of most interest is the ground floor which sells lights from many manufacturers and the second floor area which is given over to designs which exploit the use of the new low-energy bulbs. There is also a design and consultancy service for those who want to hand their problems over to the professionals.

For people who really want the latest funky designs and are prepared to pay to indulge their choice, Liberty of Regent Street, London W1 will have on sale in February two of the lights from the Memphis collection. Readers may recall that Memphis, in Milan's Corso Europo, is Europe's most adventurous furniture and lighting shop. Do not expect lights from its collection to look like anything you have seen before. Anybody buying one will have a talking point liable to leave guests tongue-tied.

Left: "French Style" Cafe lights in painted metal with opal glass globes from major branches of British Home Stores. The 5 ft standard lamp is £29.99 while the table lamp is £12.99. Also available in the series, as you can see in the picture, is a double wall light at £14.99. The lights come in white, red or brown. There is a three-pronged ceiling fitting in similar style as well at just £27.50



Right: A cross between lighting and sculpture is this range of pottery lighting in the Art Deco style. On the left, pottery hands form the base of an opal glass globe table lamp. About 11 ins high, in black or white, it is £29.99 from large branches of British Home Stores. On the right is "Arabella," a pottery nude holding an opal glass lamp. About 25 ins high, in black or white, it is £39.99.

Footloose and fancy-free

IT HAS hardly been cold enough this winter to send us scurrying in search of boots but with the longest part of winter yet to come the sales couldn't have happened at a more opportune moment. Anybody looking for footwear to perk up their wardrobe will find reductions in shoe shops up and down the country.

The smart, sleek, fitted knee-length boots of yester-year look very old-fashioned this—depressing news for those who have a still pristine-looking pair lurking in their cupboards. The mood this year is for the mid-calf or ankle height. The most fashionable material is soft, squashy suede. They should be baggy and almost rumpled, unless they be neat little ankle boots. The soft and baggy boot is good news for foot comfort—they are almost as easy to wear as the "Princess of Wales" flattie that we all took to in the summer. Most of the fashionable boots have very low heels and some, like the sought-after aviator boots, are really flat.

For those who feel ill at ease with anything without a heel an alternative look this winter is either the Principal Boy look (for my taste it is a touch too theatrical) or else the mid-calf tightly-laced Victorian boot, which comes with a neat, small heel.

Hobbs shoe shops have their sales on until the end of January and they have become well-known for offering a happy combination of middle-range prices and up-to-date styles that are never "over-the-top." Particularly good value in their sales are the Victorian lace-up boots down from £49.99 to £24.99 in black, grey or brown or a suede low-heel mid-calf boot reduced from £39.99 to £29.99.

All branches of Sacha have sales on at the moment and they are offering leather moccasin boots, mid-calf in height, with fringing ("very comfortable") for £28 (reduced from £39) and multicoloured suede boots at £15 (from £24.99).

Aficionados of Anello and Davide, which specialises in making boots to measure, has a sale only at the branch at 33 Oxford Street, London W1, and are not including in it the fashionable Victorian boot.

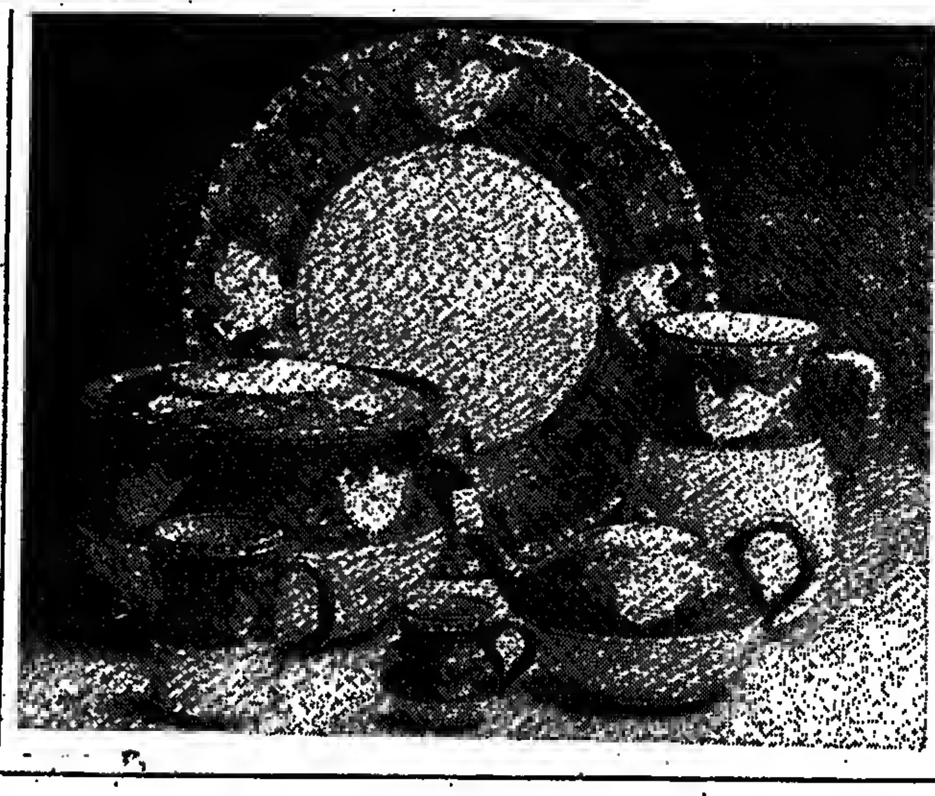
In keeping with the fashion mood this winter are the three boots sketched below. Left, is the Victorian lace-up boot sold by Anello and Davide at its three London branches—94 Charing Cross Road, 33 Oxford Street and 30 Drury Lane. Made in soft kid, in black, white or red (or, if made to order, in any colour you like) the boots have a 2½ in heel, come in sizes 2-8 (for the boots in stock) and cost £37.95.

Centre, in red, yellow or turquoise leather this mid-calf boot comes in sizes 3 to 8, £49.95, from Bally shops in London, Manchester, Romford, Bristol, Windsor, Guildford and Brighton.

Right, a soft, just above the ankle boot, in black, green, blue, Bordeaux or beige suede, this boot by Medway is exceedingly good value at £25 (usual price) reduced to £19 in the sale which is on until the end of January.

Celia Baker

Prettiness on a plate



A CHEERFUL sight on a grey January day is this dazzling range of hand-painted pottery from Italy. The colours are cornflower blue and raspberry pink with touches of green on a white background. A farmyard hen and a ripe pear embellish the border with all the naif charm that is the hallmark of the best hand-painted pottery.

Besides plates (three sizes), there are soup bowls, teacups and saucers, soup tureens and salad bowls in the range. There are also jugs, round and oval platters and casseroles. Prices are not cheap but the pottery is very special. A 38 cm round platter is £12.35, the 7½ cm high jug is £4.12, the soup tureen £12.96, the big water jug 17 cm high is £8.02, the teapot £7.75 and the mug £2.50. All are available from Divertimenti, 68 Marylebone Lane, London, W1, which will also organise mail order deliveries for readers.

Postscript

SLUMBERFLEECE mattress protectors don't sound the most glamorous item to make your first buy of 1983 but anybody who has tried them wouldn't ever be without them. To put it in a nutshell, a mattress protector is infinitely more efficient, more hygienic and more comfortable than those rather rumpled underblankets that many people use instead. A mattress protector is tailor-made for the job—it is designed to fit neatly over the whole bed and being quilted provides a soft surface for the sheet to rest on.

Polypropylene is the material Slumberfleece uses and this means the protectors can be easily washed and need no ironing. They are relatively sturdy so they don't seem to tear easily and because they fit properly don't ride up under the sheets the way under-blankets so often do.

They, of course, are a great aid in keeping the mattress in mint condition and since mattresses are expensive to buy and difficult to clean, it seems to make economical sense to use one.

The mattress protectors are £15.95 for the largest size (60 ins by 78 ins long), £12.95 for the smaller double bed size (54 ins by 75 ins long) and £9.95 for the single bed size (36 ins by 75 ins long). All the sizes allow for a mattress or box spring that is 7 ins in depth.

There are also pillow protectors made of the same quilted material and these are particularly useful for using with ill children or those who are bedridden, of whatever age. They are just £2.95.

All the protectors are stocked by good stores up and down the country including all House of Fraser stores in Scotland, Bentalls stores, Fenwick of Brent Cross, Chiesemans of Lewisham, Elys of Wimbledon. No well-dressed bed should be without one.

●

A BOOK that I didn't have space to review when it first came out but that seems singularly appropriate to January's lean times is Vogue's *More Dash Than Cash*, written by Kate Hogg, a regular contributor to the magazine. Those of us who don't have £80 to spend on a simple silk shirt and/or well over £100 on a new winter coat have always turned first to that well-known section in Vogue, where fashions for the more impecunious have their special corner.

The book is based on the belief that to be stylish and fashionable it isn't necessary to be rich — flair, care and know-how are what it takes (and incidentally, it certainly helps to be thin). For an outlay of £9.95 the attentive reader will find a whole host of useful tips (a particularly apposite chapter at the moment to turn to is the one on shopping in the sales, which might better be subtitled how not to shop in the sales). Whether you are aiming at "The College Girl" look, or would like to be "The Executive Dresser," "The Vamp" or any other stock figure from the fashion editor's phrase book, this tome will show you how.

It has to be said that most of the looks are on the young side (fashion editors have this happy idea that only the young are poor), so it would make the ideal present for a student daughter. (not much in it for boys, which is where I could do with a bit of help right now). It would show somebody embarking on life with very little money how to make father's old shirt look fun and as if it was meant, instead as if it were just . . . . father's old shirt. The pictures are inspiring and the ideas full of verve and . . . yes, dash.

Even those who are not so young could learn a lot from it, if only just how to wear a belt, how to knot a scarf, how to perk up a classic sweater. In fact, it would probably do more for most people's wardrobe than any single new piece of clothing — it would help make more of the things they already have.

Those of a more ascetic turn of mind will be glad to hear that "inner beauty" is not neglected. "Inside Style" Kate Hogg calls it and the first sentence, "No clothes, however beautiful, can detract from a neglected physical appearance," sets the tone.

To goggle and giggle

VIDEO

NIGEL ANDREWS

"Lovely bunch of *nemos emorosus* you bave there" says Prince Charles to Lady Diana. And with first-love dances across the picked flowers in the manorial wood we are off into *Charles and Diana* (IFS Video).

Purring forth from the video market is this feature-length dramatisation of the 'love story of the century;' and many who come to goggle may well stay on to giggle. For though it takes a brave stab at royal amour, some of its casting must have been thought out by a comic imp. Christopher Lee, fangs fortressed behind a stiff upper lip, is Prince Philip. Mona Washbourne, the queen of suburban mums, plays the Queen Mum. "Just give them your smile, dear," she croons to Lady Di before the wedding: "That's all they ask." And there are also Margaret Tyzack as a stern-browed H.M., Charles Gray an ornately bluff Earl Spencer and Rod Taylor bizarrely underparted as Charles's secretary.

The nuptial couple are played by David Robb and Caroline Bliss. Given a genuinely impossible task, they make it them merely improbable. Robb's features are un-Charlesian, with forthright jaw and fold-away ears; but he squeezes out a good vocal likeness from the back of the tonsils. And Miss Bliss is pretty, porcelain-bright and wholehearted, even when listening to her beloved's more *de profundis* dialogue. "Perhaps instead of playing Macbeth or Richard III," muses Charles in a darkened library. "I should have played Hamlet. I've lost my perspective."

The film never does. We are there to coo, gasp and gurgle in a time of pristine royal romance BKS: Before Koo Stark. The wedding is a cunning and colourful jigsaw of real and re-enacted footage. And a merry leitmotif is played throughout the film with the Press, who are scored for squawks, raincoats and scampering feet as they hound and harry the twain like a bunch of mad Maenads. "Come on!" cries their leader-for-the-day every time C and D slip off to the nearest Rolls, and the newsmob stampedes after them with pencils flying.

If you seek actuality rather than fancy, you may prefer *The Story of Prince Charles and Lady Diana* (Michael Barratt Home Video). This is narrated by Sir Huw Weldon from an engulfing armchair. It traces the Prince of Wales's life from infancy to marriage, with footage of such landmarks as the Coronation, Cambridge and the Investiture, and not excluding "hints of scandal like the Cherry Brandy affair."

I once saw Prince Charles in the flesh in a Trinity College revue. He impersonated, if I recall, Sherlock Holmes, a dustman and several goons, and he had natural presence and immaculate timing. The princely humour comes through in this decently made cobble-together (as it doesn't in *Charles and Diana*), and so does the built-in charisma. There is also, more predictably and less appealingly, an odour of monarchical sanctity you could cut with a sword.

This column has just celebrated its first birthday: and one thing the twelvemonth's viewing has taught me is that the video field is one of almighty extremes. On the one hand there are top-class recent films and venerable classics ready-packaged for video, and often admirably transferred. (What a miracle that we can now see *Citizen Kane* or *Metropolis* for a modest outlay and at the touch of a button or two).

But there are also curios and atrocities that you wouldn't allow your cat to see. It's only just, therefore, that I should balance my turn-of-the-year Ten Best among the V-Cs I've viewed with a matching Ten Worst. In addition to dramatic merits or demerits, I've also considered sound, technical and picture quality—or lack thereof—as criteria in both lists.

Ten Best:

The Birth of a Nation (Polygram)
Citizen Kane (EMI)
Friendly Fire (Precision)
Henry V (Rank)
King Kong (EMI)
Long Day's Journey into Night (Polygram)
Men of Destiny, Part 2 (Fox)
The Mikado (Brent Walker)
The Paradine Case (Guild Home)
Who's Afraid of Virginia Woolf? (Warners)

Ten Worst:

The Arena (EMI)
Borderline (Precision)
Cabohlanco (Guild Home)
The Challenge (Intervision)
Is There Sex After Death? (Intervision)
Mastermind (Rank)
Matilda (Rank)
Scavenger Hunt (Guild Home)
The Yeoman of the Guard (Precision)

And a special 10th place to Kingston Video for tenaciously bad picture quality in their movies as a whole: may 1983 spur them to better effort.

Cafe interior, by Lindy Guinness

Painting ladies

BY WILLIAM PACKER

Lindy Guinness is showing recent work at the Maclean Gallery (until January 14), principally drawings, watercolours and monotypes. It is straight-forward in its treatment of its several subjects, the nude, and landscape, still-life, interiors; and it wears its influences openly enough—Bloomsbury and Duncan Grant especially, with whom Lindy Guinness worked for some years, and emerging now as well a certain flavour of English post-war romanticism, in the Mediterranean landscapes especially, a whiff of Craxton, Minton, Ayrton.

Such influence is not at all dependence, however, and the artist's personal strengths do begin to come through—an involved and curious eye, and a whimsical, amused imagination. Some of the works, a standing female nude for example, and the drawings across Greek mountainsides, are indeed as strong as anything she has done so far; and clearly she is at her best when she has worked her way into a particular preoccupation or subject, and begun to follow it through.

And at the Patrick Seale Gallery (from January 11 until February 1) Anne Norwich is showing her latest paintings and drawings. She has followed rather straighter a course in her work, sticking very much to the fractured dislocated and abstracted imagery (is it Prometheus bringing fire or Icarus or even Lucifer falling from grace?) that has informed her work for these past several years. But there has been substantial development nevertheless; and where before there were two distinct elements within the work—the expressive figure and the formal structure, clear and hard, against which it was set, now a closer relation is established.

The statement is freer throughout, and though that former simplicity is introduced selectively, sharp and clear, it does nothing to dispel this new integrity of image and ground, form and space. The interesting thing is that as Lady Norwich has become more consistently painterly in the work, and less openly concerned with formal manipulation of distinct elements, so the imaginative suggestion and expression that the work carries have become stronger and more persuasive.

Playing the New Year in

RADIO

B. A. YOUNG

Thank Heaven, the crisis, the season is past, the fever called Christmas is over at last, and we can go back to our conventional programmes. *Broadcasting Tomorrow* resumes tomorrow, and we can go on speculating how conventional they will be if the listeners have their way. This first week, at any rate, has given us two plays of unusual distinction.

I thought it might also launch an interesting series in Professor A. H. Halsey's *Summer Excursions* (Radio 3, Tuesday), but the first talk was less than exciting. "We were ordinary Labour people," said Professor Halsey, so he offered us ordinary thoughts, a sequence of familiar observations about everyday things. Just fancy, he went from Oxford to Paddington in a dirty train! The porters at Paddington (or was it St Pancras?) had "nobbly English faces." Black ones or white, I wonder? Well, there are seven more talks to come; we may go deeper into the "many moods of the country" later on.

The two plays that I liked so much were *The Justified Sinner*, on Radio 4 on Monday, and *Caritas*, on Radio 3 on Thursday. *The Justified Sinner* was an adaptation by Alexander Reid of James Hogg's marvellous novel. To convey on radio, without pictorial aid, the horror of Robert Wringham's haunting by his double is obviously a daunting task. Mr Reid has solved it by presenting the story as an illustration to a psychiatrist's lecture on split personality. The lecturer (Stephen MacDonald) adds nothing to puncture the eerie edifice of Hogg's tale, and indeed most of the tale is presented unchanged, with only an occasional commentary.

Benny Young played Robert, the bastard son of a Calvinist preacher, who was persuaded that, as he had been elected as one of the "chosen few," predestined to Heaven, such sins as he committed could not count against him. Tom Watson was Gil-Martin, his alter ego, who assured him that, in that case, there was no reason why he should not murder the minister who contradicted him, or even his father and his brother, who stood between him and an estate.

The dreadful succession of events from which Robert only escapes by suicide was beautifully built up in this production, directed by Stewart Conn. They were underlined mostly by atmospheric music rather than realistic sound, though the scream that began the action was one of the most macabre sounds I've heard for some time. The play will be repeated tomorrow.

Caritas, by Arnold Wesker (Radio 3 on Thursday), was also dependent on a close-up of spiritual distress, this time of a young Norfolk girl who became an anchoress and thought better of it too late. (An anchoress is a female anchorite, one who goes into permanent seclusion.) Patti Love's playing of this unhappy girl was terrifying, and Wesker's analysis of her feelings, swaying between extreme devotion and a hysterical plea, declined by the rigid-minded Bishop, to be released, is heartbreakingly convincing.

Unhappily, Wesker always wants to insert a touch of Left-wing politics into his writing, and the distant echoes of Wat Tyler's revolt that tinged the talk of the villagers never seemed relevant enough to the main theme. Either we should have had some practical contact with the people's discontent or it should have been treated casually as part of the background. Never mind: the playing of Patti Love supported everything else; and everything else included some good work by Robert Stephens as the bishop, Mary Miller as the nun Matilde, Paul Bentall as a priest, and others. The production was first presented at the National Theatre under John Madden's direction. Direction for radio was by Margaret Windham.

Too much misery to start the year? Something truly frivolous can be found on Radio 4 for six weeks, *Second Holmes* (Sunday evening and Wednesday lunchtime). Sherlock Holmes's grandson Stamford (I wonder who his grandmother was?) and Watson's grandson Dr Watson investigate a mystery at Baskerville, where mysterious hound sounds come from Grimpen Mire. The jokes are lightweight but good enough; it's helpful to know *The Hound of the Baskervilles*, at any rate superficially; and Peter Egan and Jeremy Nicholas cope ably with our heroes.

I was looking forward to hearing Laurie Lee on *Hill Cricket* on Radio 4 on Thursday, but he didn't have much to say. He recalled a Cotswold ground of his youth, and moved on to that better-known hill in Sydney, New South Wales, but it was sort of dinner-party conversation, that was all. From cider with Rosie in the pavilion to Foster's with his brother on the Hill, as it were.

An operatic Gaslight

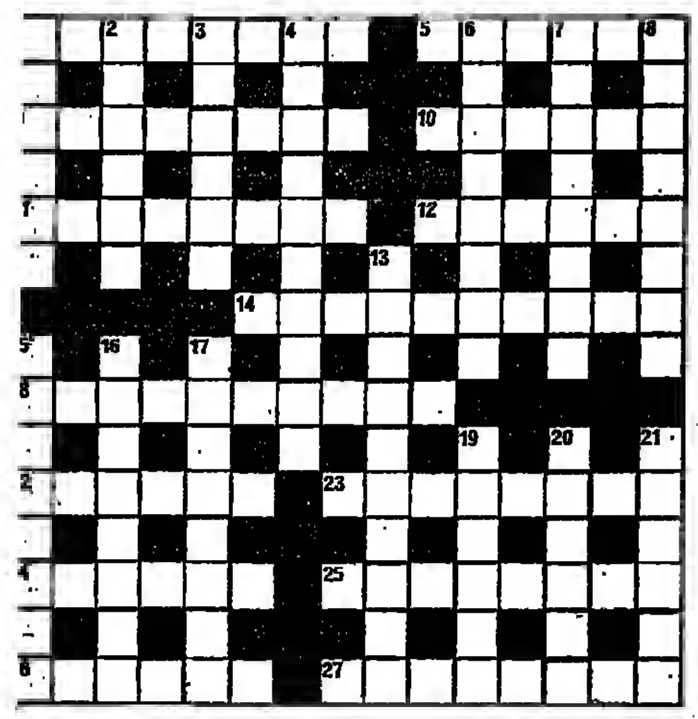
BY ANDREW CLEMENTS

Patrick Hamilton's psychological thriller *Gaslight* is best known in its film version, made in 1944 with Ingrid Bergman as the young wife whose husband attempts to drive her mad. For its week at the Jeannetta Cochrane Theatre the Intermezzi Ensemble commissioned an opera based on Hamilton's play from Betty Roe and Marian Lines, as "the recognition of a need in this country for new and interesting operatic works suitable for performance by companies with small forces and limited resources."

One might observe that most new operas and music-theatre pieces written in the past decade or so have been exactly that, intended for small casts and the minimum of scenery and props. Certainly Miss Roe's effort is not as economical as it might be, save perhaps with its musical invention, which spreads a thimbleful of inspiration in a microscopically thin layer. To put things bluntly, the evening is a dreadful embarrassment, without a single moment that one could select as being either imaginative or entertaining. What light relief there is comes from Miss Lines' libretto, whose unconscious humour at least keeps one's attention for the next *double entendre*.

Much of the music proceeds over an ostinato, generally of the rum-ti-tum variety, though it occasionally lurches into recitative or speech, and then equally ungratefully lurches back into banal melody again. The orchestration, for a *Turn of the Screw*-sized band, is stodgy and unvaried. The opera is competently staged and moderately sung, but most of all the cast deserves sympathy.

F.T. CROSSWORD PUZZLE No. 5,066



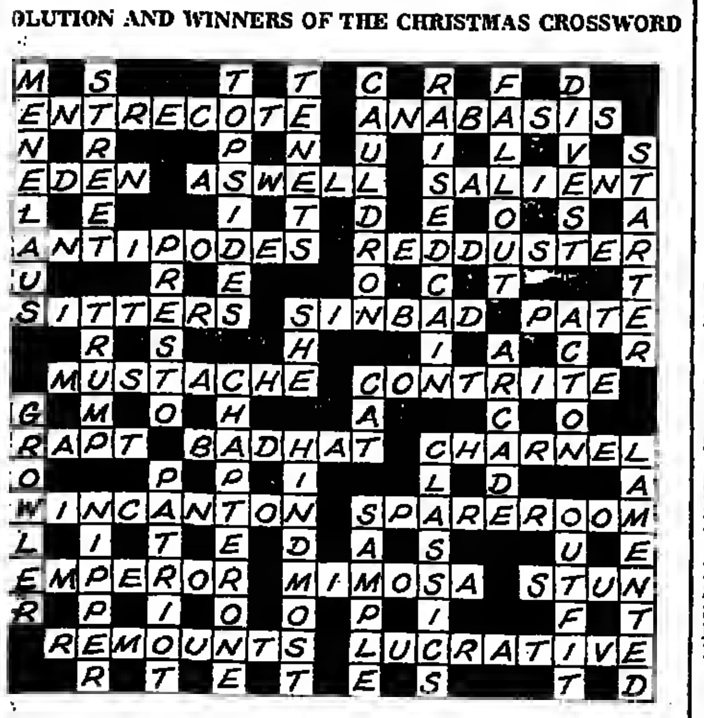
ACROSS

So-called worker, I want the settlement (5-3)
Tricky times for Conservative increases (6)
I cut the ice and drink up dairy-product (8)
Don might have bought tent in it (6)
Lying outside, unknown number in unchangeable environment (8)
Mischievous but not starting to be thoughtless of others (6)
Sort of geranium presented after baby is born? (6-4)
Tales about one city and the power to return in the spring (10)
Fruit from Ohio mountains (6)
Fare from Switzerland turns me off the rails (8)
Like a sly dip in Dickens? (6)
Long time to wait, seemingly, for such a ring (8)
26 Reader detailed account (6)
27 Sandy here —— moss can't develop (8)

DOWN

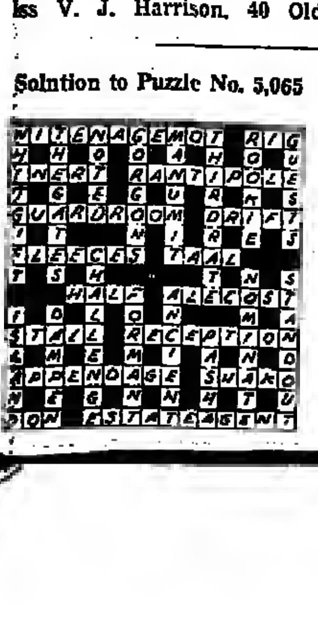
1 Soaked for everything inside it? (6)
2 I am at set-point —— charge! (6)
3 Trees around Presbyterian church (6)
4 Surprising reaction on finding Roman marble (4-6)
6 Having no householder's comprehensive cover? (8)
7 Precise dose of medicine (8)
8 Main sound-source? (8)
13 R3? (10)
15 Elegant old penny-black on display (8)
16 In the Milky Way? (8)
17 Guns that go off in deer-forest sport (4-4)
19 Rabbit-hunter using force to turn French earth over (6)
20 Inner chamber of open court in Rome (6)
21 Orsino's injunction to hit ball onto wicket (4, 2)

SOLUTION AND WINNERS OF THE CHRISTMAS CROSSWORD



C. D. Jones, 8 St George's Court, Gloucester Road, London, W7.
Pearce, 5 Marlborough Road, Castle Bromwich, Birmingham B36 0EH.
Miss V. J. Harrison, 40 Old Court House, Old Court Place, London, W8.
Mrs H. T. Macaulay, 23 Fullarton Drive, Troon, Ayrshire.
B. Hadfield, Newland Hall, Newland, Coleford, Glos.

Solution to Puzzle No. 5,065

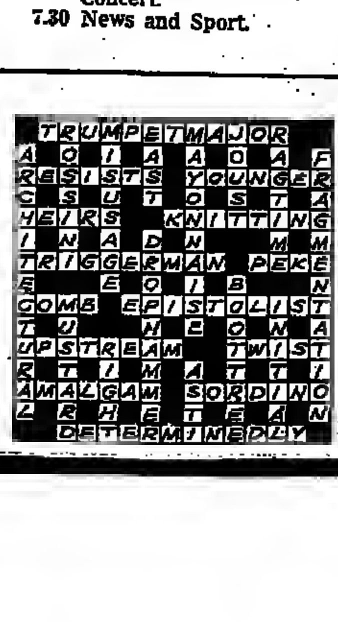


SOLUTION AND WINNERS OF PUZZLE NO. 5,061

Mrs K. Swann, 213 Seabridge Lane, Newcastle, Staffs.

M. Hosier, 19 Jasmin Grove, Lawrence Weston, Bristol BS11 0TF.

A. Fiander, 10 Woodland Way, London, NW7.



† Indicates programme in black and white

BBC 1

9.15 am Hold Down a Chord. 9.30 Saturday Superstore. 12.12 pm Weather.
12.15 Grandstand, including 12.55 News Summary; Football Focus (12.20); Racing (12.40, 1.10, 1.35) from Haydock and from Leopardstown at 2.5 (The Sweeps H'cap Hurdle); World Cup Ski-ing (1.0, 1.25) Men's Downhill from Morzine in the French Alps; Tennis (2.15, 3.10) Barratt World Doubles Championship from the Royal Albert Hall; Rugby League (3.0) First round draw for the Rugby League State Express Challenge Cup. Darts (3.55) Embassy World Professional Championship.
5.10 News.
5.20 Regional Variations.
5.25 Rod and Emu's Saturday Special.
5.55 Jim'll Fix It.
6.30 "Ice Station Zebra," starring Rock Hudson.
8.50 Three of a Kind.
9.20 News and Sport.
9.35 Dynasty.
10.25 The Best of Carrott's Lib starring Jasper Carrott.
11.15 Tennis. Barratt World Doubles Championship (highlights).
†12.05 am Phil Silvers as Sergeant Bilko.

REGIONAL VARIATIONS:

WALES—8.50 am Hold Down a Chord 9.05-9.30 The John Toshak Teach-In (Soccer coaching). 5.20-5.25 pm Sports News Wales.

SCOTLAND — 5.20 - 5.25 pm Scoreboard. 12.30 am Scottish News Summary.

NORTHERN IRELAND—5.00-5.10 pm Northern Ireland Results (opt-out from "Grandstand") 5.20-5.25 Northern Ireland News. 12.30 am Northern Ireland News Headlines.

ENGLAND — 5.20 - 5.25 pm London and the South-East: Sport; South-West (Plymouth): Spotlight Sport; All other English regions: Sport/Regional News.

BBC 2

10.10-11.40 am Open University.
†3.00 pm Saturday Cinemas: "Trouble Along the Way" starring John Wayne.
4.45 World Darts.
6.50 Sight and Sound in Concert.
7.30 News and Sport.
7.45 Saturday Briefing.
8.20 Bendigo Boswell.
10.00 World Darts (highlights).
10.40 News on 2.
10.45 "The Tenant" starring Roman Polanski.

LONDON

9.05 am Sesame Street. 10.05 Star Fleet. 10.30 The Saturday Show with Isla St Clair.
12.15 pm World of Sport: 12.20 Ski-ing—World Cup Men's Downhill from Pfronten, West Germany; 12.40 On the Ball; 1.15 News; 1.20 The ITV Seven from Sandown and Warwick (introduced by Brough Scott and John Oaksey); 3.10 Showjumping—Martell Cognac Championship from Harwood Hall, Upminster; 3.45 Half-time Soccer News and Reports; 4.00 Wrestling; 4.45 Results.
5.05 News.
5.15 Metal Mickey.
5.45 Chips.
6.40 Punchlines.
7.10 David Frost Presents the 4th Guinness Book of Records Special.
8.10 Murder, Mystery, Suspense: "Covert Action" starring David Janssen.
10.00 News and Sport.
10.15 The Big Match.
11.15 London News Headlines followed by Best of Saturday Night Live.
12.15 am Continental Movie: "Fleisch."
2.00 Close: Sit Up and Listen with Michael Hordern.

CHANNEL 4

1.30 pm Making the Most Of. . . .
†2.00 Saturday Matinee: "Stella Dallas" starring Barbara Stanwyck.
3.55 Great: Isambard Kingdom Brunel.
4.25 Little Boy with a Big Horn.
4.35 Password.
5.05 Brookside.
6.00 7 Days.
6.30 News Headlines followed by Preview 4.
6.45 A Week in Politics.
7.30 The Other Side of the Tracks.
8.30 Hollywood.
9.30 The Lady is a Tramp.
10.00 Upstairs, Downstairs.
11.00 The Avengers.
†11.55 Death in the City: "The Blue Dahlia" starring Alan Ladd.

S4C(WALES)

1.40 pm Shakespeare Lives. 2.05 Power Play. 2.30 The Spanish Civil War—A Prelude to Tragedy. 3.25 The Tube. 5.00 Yr Awr Fawr. 6.00 Upstairs, Downstairs. 7.00 Twyllo'r Teulu. 7.30 Newyddion. 7.45 Mloafon. 8.35 Delme. 9.25 Y Maes Chwarae. 10.15 The Irish R M. †11.10 "The Grapes of Wrath" starring Henry Fonda.

All IBA Regions as London except at the following times:—

ANGLIA

9.35 am Welcome Back, Kotter. 10.15 pm Match Of The Week—Gerry Harrison presents an FT Cup special featuring highlights from today's third round ties. 11.15 In Concert: Mac Davis entertains before an audience at the Sporting Club of Monte Carlo. 12.35 am At The End Of The Day.

BORDER

9.35 am Kum Kom. 10.15 pm Match Time. 11.20 The Streets Of San Francisco.

CENTRAL

9.30 am Bambun. 8.10 pm Murder Mystery Suspense: "Detour to Terror." 11.15 Journey to the Unknown: Paper Dolls.

CHANNEL

5.15 pm Puffin's Pla(i)ce. 5.20 Happy Days. 5.45 Falcon's Crest. 7.10 Lou Grant. 11.15 World Professional Arm Wrestling Championships.

GRAMPIAN

9.05 am The Groovie Ghoulies. 9.30 Cartoon Time. 9.40 Falcon Island. 10.40 pm Scotsport. 12.15 am Reflections.

GRANADA

9.30 am Cartoon. 9.40 Secret Valley. 10.15 pm Match Time. 11.20 The Late Film: Charles Bronson in "The Valachi Papers."

HTV

9.35 am Ask Oscar! 12.13 pm HTV News. 5.15 Chips. 6.15 Metal Mickey. †11.15 Rawhide.

SCOTTISH

9.35 am Wattoo Wattoo. 10.15 pm Scotsport: Football in Scotland and England. 11.15 Late Call. 11.20 The Streets Of San Francisco.

TSW

9.00 am Look And See. 9.05 The Adventures Of Gulliver. 9.30 The Saturday Show. 10.30 Catweazle. 10.55 The Fugitive. 11.48 Star Fleet. 12.12 pm TSW Regional News. 5.15 Newsport. 5.20 Happy Days. 5.45 Falcon Crest. 7.10 Lou Grant. 11.15 World Professional Arm Wrestling Championships. 12.10 am Postscript. 12.15 South West Weather.

TVS

9.40 am Batman. 12.12 pm TVS Weather. 5.45 Saturday News and Sport. 10.15 The Saturday Match: The Wembley trail starts again towards the FA Cup. Fred Dinenage introduces three matches. 11.15 Lou Grant. 12.10 am Company.

TYNE TEES

9.00 am Morning Glory. 9.05 The Groovie Ghoulies. 12.12 pm North East News. 5.10 North East News. 5.12 Diff'rent Strokes. 10.15 Shoot! 11.15 "I Walk The Line" starring Gregory Peck and Tuesday Weld. 12.55 Poet's Corner.

ULSTER

1.18 pm Lunchtime News. 5.00 Sports Results. 5.08 Ulster News. 10.14 Ulster Weather. 12.15 am News at Bedtime.

YORKSHIRE

9.30 am Gardening Time. 9.55 Wattoo Wattoo. 10.15 pm Match Time: Action from three of today's games with Elton Welsby, Denis Law and Martin Tyler. 11.20 Thriller.

RADIO 1

(s) Stereo (when broadcast on vhf) 8.00 am Tony Blackburn's Saturday Show. 10.00 Mike Smith. 1.00 pm Adrian Juste (s). 2.00 A King in New York with Jonathan King (s). 2.05 Paul Gambaccini (s). 4.00 Walters' Weekly (s). 5.00 Rock On (s). 6.30 In Concert (s). 7.30 Janice Long with Saturday night music. 10.00-12.00 Gary Davies.

RADIO 2

8.06 am David Jacobs (s). 10.00 Rosemary Leach with Star Choice (s). 11.00 Album Time (s). 1.00 pm Drop Me Here, Darling. 1.30 Sport On 2. Football: 1.40, 2.40, 3.15; Half-time football at 3.45; commentary at 3.55; Racing: from Sandown at 2.00, 2.30 and 3.00; Tennis: Barratt World Doubles Championship, from the Royal Albert Hall, London at 2.10, 3.20, 4.55; 5.00 Classified football results; 5.50 Classified racing results; 5.53 Final Pools Check. 6.00 Country Greats In Concert. 7.00 Beat The Record with Keith Fordyce. 7.30 Big Band Special (s). 8.00 Saturday Night Is Gala Night (s) including 9.40-9.00 Interval. 10.00 Hilversum Greets Radio 2 (s). 11.02 Sports Desk. 11.10 Pete Murray's Late Show (s). 2.00-5.00 am You And The Night And The Music (s).

RADIO 3

7.55 am Weather. 8.00 News. 8.05 Aubade (s). 9.00 News. 9.05 Record Review (s). 10.15 Stereo Release (s). 11.15 BBC Philharmonic Orchestra (s), including 12.10-12.15 Interval Reading. 1.00 pm News. 1.05 Lost And Found (s). 2.00 Decade: The 1980s (s). 5.00 Jazz Record Requests (s). 5.45 Critics' Forum. 6.35 Kodaly and Bartok Songs (s). 7.10 Wine, Women And Song (s). 7.30 "Feuersnot." Operatic poem in one act by Richard Strauss (s). 9.05 Queenie Leavis and The Common Pursuit (talk by John Carey). 9.30 Martino Tirimo: piano recital, part 1: Schubert (s). 10.15 A House In New Zealand by Jackson Webb. 10.30 Martino Tirimo: part 2: Schumann, Liszt (s). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's A Bargain. 7.55 Weather, travel, programme news. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4. 8.48 Breakaway. 8.57 Weather, travel. 9.00 News. 9.50 News Stand. 10.05 Talking Politics. 10.30 Daily Service (s). 10.45 Pick Of The Week (s). 11.35 From Our Own Correspondent. 12.00 News. 12.02 pm Money Box. 12.27 Alistair Cooke: The Instruments of Jazz (2): The Trombone (s). 12.55 Weather; programme news. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News. 2.05 Thirty-Minute Theatre. 2.35 Medicine Now. 3.05 Wildlife. 3.30 Scenes From Village Life. 4.00 News. 4.02 International Assignment. 4.30 Does He Take Sugar? 5.00 What's That You're Reading? 5.25 Week Ending (s). 5.50 Shipping Forecast. 5.55 Weather; travel, programme news. 6.00 News including Sports Round-up. 6.25 Desert Island Discs (s). 7.20 Stop The Week With Robert Robinson (s). 8.00 Richard Baker (s). 8.30 Saturday-Night Theatre: "The Honourable Schoolboy" by John Le Carré, dramatised in two parts (Part 1) (s). 9.58 Weather. 10.00 News. 10.15 Eat, Drink And Be Buried. 11.00 Lighten Our Darkness. 11.15 Stop The Week With Robert Robinson (s). 12.00 News.

BBC RADIO LONDON

7.32 am Good Fishing. 8.00 News. 8.04 London Today. 8.30 Travel Round-up. 8.33 The Magic Carpet Company. 9.00 News. 9.03 Book Now. 9.30 Openings. 10.02 All That Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 5.30 Quest. 6.00-8.00 am Join Radio 2.

LONDON BROADCASTING

7.00 am AM with Jenny Lacey and Magnus Carter. 10.00 Jellybone with Clive Bull. 12.00 LBC Reports with Des Fahy. 1.00 pm Sportswatch with Dominic Allen. 5.00 LBC Reports with Des Fahy. 7.00 Goat Molo Network: Cuba—The week the world stood still. 9.00 Hayes On Saturday. 10.00 Nightline with Phillip Hodson. 1.00 am Night Extra. 4.00 Travel '83. 4.30 Decision Makers. 5.00 Morning Music.

CAPITAL RADIO

7.00 am Breakfast Show. 10.00 Pick of the Pops Take Two. 12.00 Six of the Best. 2.00 pm Afternoon Delight. 5.00 Greg Edwards' Soul Spectrum. 8.00 A Plain Man's Guide. 9.00 Richard Digance and Folk Friends. 10.00 Roots Rockers. 12.00 Midnight Special.

CHESS SOLUTIONS

Solution to Position No. 456
1 0-0-0! 0-0-0? 2 R-Q4! wins material (N-R4 or N-KN3; 3 P-KN4 traps the bishop).

Solution to Problem No. 456
1 B-R1 (threat 2 Q-N2). PxQ; 2 R-QN7, or if BxQ; 2 R-KN1, or if R-QN1; 2 RxR, or if P-K4; 2 Q-QN6, or if N-Q5; 2 Q-KB1, or if R(1)-Q5; 2 R-QN8, or if R(5)-Q5; 2 R-KR1.

COLLECTING

Fair vanities in 'Vanity Fair'

BY JUNE FIELD

IN ITALIAN it is *rattratini caricki*, overloaded or exaggerated portrait, in French *portrait chargé*, a satirical or distorted version, and for the British, the art of caricature.

Thomas Gibson Bowles, founder and editor of *Vanity Fair* — "Weekly Show of Political, Social and Literary Wares," 1886-1914, was fully aware of the power of caricaturing. For this natural son of Thomas Milner Gibson, London landowner and Liberal politician, the purpose of the drawings in the publication which invited its readers to recognise the vanities of human existence, was to present influential men of the time "not as they would be but as they are."

Royalty, politicians, the Bench and the Bar, bankers, builders, clergy, dons, sportsmen and scientists, all were prime targets, with accompanying commentary written by Bowles under the pseudonym Jehu Junior, taken from the prophet and warrior of the Old Testament. (Bowles was also Blanc Bec, Auditor, Choker and Pantagruel.)

Of Disraeli, subject of the first caricature by "Singe," later anglicised to Ape, *nom de crayon* of Carlo Pellegrini (1839-89), it was observed: "He educated the Tories, and dished the Whigs to pass Reform, but to have become what he is from what he was is the greatest reform of all."

The Rothschilds were praised as a "more ancient race and nation than any of those which held a position in Europe," Field Marshal Lord Roberts was a great general hut "no respecter of official persons," while George Bernard Shaw, drawn by Ruth, alias Max Beerhohm, was "perhaps not as clever as the world thinks he, and certainly not so clever as he thinks he is." Max himself was drawn by Walter Sickert, whose pseudonym was Sic.

The other major artist most closely identified with the magazine was Leslie Ward (1851-1922) knighted in 1918, who worked for nearly 40 years as "Spy," a name he picked from the dictionary. His caricatures, he wrote, "were often the result of hours of continual attempts watching my subject... Before I pleased myself I would make elusive sketches, feeling, as it were, my way to the impression I had formed of him. At other times I was lucky and the aid of inspiration led to almost instantaneous results."

In 1889, Bowles having diverted his attentions to *The Lady*, magazine which he founded in 1884, sold *Vanity Fair* for £20,000 to Arthur H. Evans. Over the years the magazine gradually lost its bite, and in February 1914 was absorbed into *Hearth and Home*, its last caricature of the over 2,300 published, that of Joseph Chamberlain.

As Roy T. Matthews and Peter Mellini sum up in their book *In "Vanity Fair,"* just published by the Scolar Press: "An ill and broken man 'The Great Imperialist' sits staring from behind a monocle. When compared with Pellegrini's Disraeli, the rise and fall of *Vanity Fair*, as well as an era, is apparent."

A vivid panorama of Victorian and Edwardian society comes to life in this handsome well-researched and lavishly illustrated study which devotes a special section to collecting *Vanity Fair* caricatures, whether prints, proofs or originals. (The book is £30 plus £1.50 postage from Cecelia Nixon, Scolar Press, 13 Brunswick Centre, London WC1.)

The Hilton Gallery, 3 St Mary's Passage, Cambridge, still have quite a few of the "proofs before letters" (proof prints produced to verify the colours and lines of the lithograph without captions or dates), which with their quality of colour, clarity of line and detail and relative scarcity (no more than 20 copies of each were printed), makes them of considerable interest to collectors. Jean Goold who runs the gallery, showed me a prospectus sent out in the 1920s by her father, David Weir, who bought the stock of 2m to 3m prints from the last *Vanity Fair* proprietor Dr R. T. Allinson. (Weir died in 1936, and much of the stock was sold to Paul Victorious, an American medical student.)

The Right Hon. Arthur James Balfour caricatured by Spy, in 1887, from Roy T. Matthews and Peter Mellini's "In 'Vanity Fair'" (Scolar Press £30).

What Mrs Goold calls an ordinary Spy print, of which perhaps thousands were produced, can be bought for about £5 upwards. Prime Ministers are scarce, but cricketers such as W. G. Grace are fairly copious in the £40-£50 range. The National Portrait Gallery has the most comprehensive public collection of original sources on the cartoons and their catalogue of the 1976 exhibition is an important reference. (£1.25 including postage from the Publications Dept., National Portrait Gallery, St Martin's Place, WC2.

The *Vanity Fair* artists concentrated on caricaturing well-known personalities; the principal cartoon characters of Henry Mayo Bateman (1887-1970) were a send-up of ordinary individuals commiting some terrible social gaffe, some offence against accepted behaviour and custom. These were the inspiration of his brilliant "The Man Who . . ." situation-drawings for *Punch* and the *Tatler*, ranging from such diverse settings as in "The Man Who Lit His Cigar Before The Royal Toast" to "The Dirt-Track Rider Who Appeared In Rotten Row."

There are still some items for sale from £100 from the evocative "H.M. Bateman — Retrospective Exhibition of Cartoons 1907-1939" held recently at the Langton Gallery, which celebrated the excellent book *The Man Who Was H.M. Bateman* (Webb and Bower), by Anthony Anderson, married to Bateman's grand-daughter, painter Lucy Anderson. The catalogue is £1, a copy of the book £9.95 from Robert Stuart, Langton Gallery, 3 Langton Street, London SW10, who regularly holds exhibitions of comic art. Their "Great British Cartoon Exhibition" of last month, which included the work of various *Punch* artists as well as Heath Robinson and Gerard Hoffnung, is being extended. Details of opening times from Mr Stuart, 01-352 9150).

A shilling for your thoughts

COINS

JAMES MACKAY

IN THE Gaelic tradition of my boyhood one of the more confusing differences between my native tongue and English was the words used to denote money. We used the word *sgillin* to mean a penny, and a totally different word *tasdan* to mean a shilling. It was not till many years later that I learned that the former reflected the sad relationship of Scottish money to English. Since the Middle Ages a Scots pound had been worth a twelfth of an English one, and everything else was scaled down accordingly. Thus a Scots shilling was worth a twelfth of an English shilling, or one penny sterling.

Only the Gaels were realistic enough to persist with the old-fashioned notion of a "shilling" worth a penny. For the name of the silver coin itself, however, the Gaels went even further back, to the first of the handsome portrait coins of the Italian Renaissance. The silver lire of the Italian city states soon acquired a nickname—*testone*—because of the head (*testa*) of the ruler depicted on the obverse.

In England the term "shilling" was originally used as money of account in Anglo-Saxon times to signify five pennies. The term was widely used all over Scandinavia and northern Germany, notably by the Wendish Monetary Union (Hamburg, Lübeck, Wismar, Rostock, Lüneburg and Stralsund) which began issuing silver coins called schillings in 1432. The schilling had a chequered career, becoming debased in silver content and valua and superseded by the groschen throughout the Germanic world. It survived as a low-denomination copper coin (skilling) in Scandinavia till the decimal "ore" was adopted in 1875, but was revived as the unit of currency in Austria in 1925.

In the system of money of account devised by Charlemagne and widely used all over Europe by the businessmen of the Middle Ages, the silver pound (*libra*) was divided into 20 *solidi*, each divided into 12 *denarii*. By the end of the Middle Ages this ancient £sd system was in decline everywhere, except in England where it was translated into actual coinage by Henry VII. First of all he introduced a gold coin, in 1489, called a sovereign. It weighed 240 grains of fine gold and was tariffed at 240 silver pennies. An intermediate coin, weighing 144 grains of sterling silver, was introduced in 1504, tariffed at 20 to the sovereign and worth 12 pence.

The coin itself was not at first known as a shilling. Instead it was referred to as a testoon, thus betraying its true origins.

The shilling, more than any other coin of the past five centuries, has served as a barometer of the monetary condition of the economy. The new coin was not popular with the business community and testoons of Henry VII are of exceptional rarity, in the price range £8,000-£12,500. Henry VIII abandoned this coin at the beginning of his reign (1509) and did not revive it until 1544, by which time the silver coinage was substantially debased. Testoons of Henry VIII are quite plentiful in the £100-£300 range. These coins, with their full-face portrait of Henry, soon earned the nickname of Coppernoses, since the nose, being the highest point of the design, was the first to show wear and reveal the true nature of the alloy which contained more copper than silver. Debased shillings, as the coins were now known, continued in the reign of the boy-king Edward VI and though quite plentiful are hard to find in good condition. This is due to the fact that they were commonly used in the game of shove-board which was a craze in the mid-16th century

This is one of tha offbeat snippets of information contained in a new book entitled *The Splendid Shilling* by James O'Donald Mays (New Forest Leaves, Bisterne Close, Burley, Ringwood, Hants, £7.95). So great was the misuse of the new-style shilling that London's water poet, John Taylor, wrote a poem praising its beauty and then composed a sequel deploring its tragic end on the shove-board. The shilling was the work-horse of the currency in the late-16th and 17th centuries and examples portraying Elizabeth and her Stuart successors were produced in great abundance. Under the Hanoverians, however, it had a fitful existence, reflecting tha dearth of silver during the prolonged colonial wars with France and Spain. The occasional windfall, like Anson's seizure of the Spanish bullion ship off the Peruvian coast, led to a temporary improvement, hence the shillings inscribed LIMA (1745-6), but very few were struck in the long reign of George III. Not until the great currency reform of 1816, when the bullion content was substantially reduced, did the shilling emerge in the form which, under the guise of the 5 pence, survives to this day. *The Splendid Shilling* charts the development of this ever-popular coin, and should be indispensable to the collector.

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SPORT

Dust to dust on Sydney's Hill

Jubilation in Sydney as Australian players congratulate skipper Greg Chappell after the match that won them the Ashes

Once again England lose a Test series in Australia and the Ashes. TREVOR BAILEY, a member of Len Hutton's victorious tour team in the 1950s, returns to Sydney and reflects on what went wrong. Were England's tactics at fault? Did we suffer from bad umpiring? And where has the Botham magic gone?

THERE IS always something special about Test cricket in Australia. Even though the West Indies may be the current world champions, there is nothing like a battle for the Ashes to start the adrenalin flowing.

It applies especially to the Sydney game with its constant noise, colourful atmosphere, swarms of invading seagulls, beer (though the banning of bringing in liquor has thankfully largely eliminated can-banging and drunkenness), and The Hill.

Tha match, which lost England the Ashes in spite of a gallant fight hack by Hemmings, was the seventh Test I have either played in, or seen, on this large, circular, historic ground, with its stand displaying a fascinating mixture of architectural designs.

The most encouraging feature for anyone interested in the continued prosperity of the game was provided by the vast and enthusiastic crowds, which incidentally contained a large number of English supporters, both resident and on holiday.

It mada a nonsense of the forecast by some marketing and media experts that Test cricket in Australia would end within three years in favour of the less sophisticated limited-overs game which is so much easier to package, and less fun to play.

It was also pleasant to report that the match was entertaining (because the situations were constantly changing), even the drawn game didn't live up to that Melbourne heart-stopper.

Some of the batting may have been of less than international class, but the fielding of both sides was outstanding and several of the catches were brilliant, particularly one by Chappell which ended Gower's flowing 70, and the one Gower made off Willis.

Unquestionably, the least satisfactory feature was the low standard of the umpiring. It is hard to recall any game which has contained more bad decisions. These have been so varied, and not all were against England; though they suffered most, so that it was not a question of neutral umpires, merely a need for better umpires.

Their mistakes included failing to spot a run-out, though perfectly positioned, a number of lbw decisions which varied between bad and disastrous, a noticeable inability to decide whether or not a batsman had made contact with the ball, and I lost count the number of times Thomson, and, less frequently, Lawson, broke the return crease with their right foot without being no-balled.

The most puzzling feature was the tactical naivety displayed by England. After all, this was the Fifth Test, so one might have expected them to realise that Yardley was distinctly apprehensive against pace, and introduced Cowans immediately he appeared, instead of allowing him to settle in against offspin, especially as the new ball was availabla.

It would have paid to attack Border, who is not a good starter, when he first came in, and it was noticeable how frequently a fielder was placed in a position after the hall had heen hit there at catchable height.

It was also difficult to understand why Miller stands so fine at first slip to tha pace bowlers, particularly as Taylor is a very agile keeper, and Botham at second slip stations himself closer to the stumps than Taylor.

This not only limits the possible catching zone, but explains why Miller has had only one catch in five Tests, and that was a rehound, albeit a most vital one, off Tavare. If Chappell, the Australian first slip, had been as fine he would not have been able to catch either Cook, or Gower.

From an England point of view, the most worrying feature has been the noticeable decline of Ian Botham as our main match winning howler. Although Botham took four wickets in the Australian first innings, he clearly was no longer a world class swing bowler.

The conditions on the first day were ideal, and at his best I would have expected him to gohhle up at least six wickets for very few. But he looked no more than an adequate third seamer who relied largely on an inswinger which moved rather early.

Where has the Botham magic gone, and is it only temporary? Perfect timing is just as important in howling as in batting, in fact, rather more so. Ian has lost his timing. He is releasing the hall a fraction too late and he has the action of a "rocker"—a bowler who rocks back after ha has come down on his right foot in his delivery stride. At the moment he is not bending his back as much as he did in his prime, and I suspect he is also a shade more open-chested.

The result of these faults, which were patently obvious to anybody who knew anything about seam bowling after watching him for a conple of overs, mean that he has largely lost these three virtues.

First, he is having difficulty in bowling the late outswinger and the "nip-backer" which were his most dangerous deliveries. It was interesting to note that when he went back to an abbreviated run-up after a long spell, he immediately made two halls leave the bat, because his timing was right.

And when the ball heats the bat, it is not hitting the keeper's gloves with a real thwack.

His bouncer has lost its venom, and though he was never a fast howler, he used to make batsmen hurry their shots. I believe he can find his old form and rhythm, hut it will need much hard work in the nets.

Australia, 1st Inning, 314 (Border 89, Dyson 79; Botham 4-75); Second Innings 382 (Hughes, 137, Border 83). England, 1st Innings 237 (Gower 70, Randall 70; Thomson 5-50). Second Innings 314-7 (Hemmings 95).

John Barrett reports on sweet music at the Albert Hall

The delights of perfect doubles

EVERY NOW and then a tennis match comes along of such surpassing hrilliance, of such exquisite skills that it lingers in the mind.

Such a match occurred yesterday on the last day of Round Robin play in the $200,000 Barratt World Doubles Championship—the WCT special event that traditionally starts the year.

The new setting at London's Royal Albert Hall perhaps inspired the combatants—Heinz Gunthardt of Switzerland and Balazs Taroczy of Hungary who hold this title and the only pair to have won this 11-year-old championship twice, Brian Gottfried of the United States and his Mexican partner, Raul Ramirez.

With a start at 11 am it was perhaps understandable that only half of the red plush seats were filled—and the absentees will never know what joy they missed. With Taroczy hitting his returns with such control and power his 22-year-old partner revealed the agility and decisiveness on the volley that has made him one of the outstanding doubles players of the decade.

Nevertheless the wiles of the 29-year-old Mexican kept his team afloat as the opening set went into the tie break. Here the solidity of Gottfried was apparent. Sure and decisive on the serve, reliahle and accurate on the return he it was who encouraged ambitious errors from his opponents as he and Ramirez pocketed the shoot-out seven points to two.

Now Taroczy really blossomed with a new service action that he told us recently served 15 aces against Ivan Lendl—to help his side to a two sets to one lead as they forged ahead 6—3, 6—4. The fourth set, full of those delightful mixtures of subtlety and power which are the hallmarks of great doubles encounters turned ultimately on the break of Gunthardt's serve in the 10th game in which he almost recovered from love 40 hut at 30-40 stood helpless as Ramirez drilled his return down between them.

This set the stage for the final set of great ingenuity where both teams probed the weaknesses of their opponents without achieving a single break serve. Thus a tie break decided it.

A costly double fault hy Gottfried at two points-all was the slender factor which turned the match in favour of the holders. Encouraged by the 3-2 gift Gunthardt captured his two service points, promptly broke Ramirez's first service point for 6—2 and on the first of Taroczy's service points were safely home.

Even the sparse crowd had created enough atmosphere for them to appreciate what they had seen. A standing ovation, indeed a few tears, greeted all four men as they left the arena to concentrate on today's semi-finals. They had made sweet music in a hall which more usually hears singing strings of a different kind but no audience at the last night of the Proms could have been more appreciative.

There is something rather special about doubles play that, for me at least, makes it the most enjoyahle of all events in tennis as a spectacle. The greater width of the court for a start allows more scope for the tactical use of angles and the players, often tense in singles, have a partner to call on when their form fails. There is the best aspect of warfare about a doubles match — the camaraderie between partners, rescuing one another when in distress and bringing down the enemy all make for great emotion as well as fine entertainment.

Seeing such fine play in the modern vein set me to thinking of the way the game has evolved and to comparing today's giants with the heroes of the past. I asked my BBC TV colleague Dan Maskell about the great men of his youth.

He had no hesitation in nominating Wilmer Allison and John van Ryn as the greatest pair he had seen. Older readers will remember their winning years at Wimbledon—in 1929 when they beat the British Davis Cup men Gregory and Collins and the following year when their victims were another great American team Doeg and Lott.

"1929 was my first year as a professional at Wimbledon," recalls Maskell. "I used to practise with all the players then and was so impressed by the attitude as well as the skill of Allison and Van Ryn. As a team they covered each other perfectly. Their returns of serve were so heautifully accurate and varied too and they were so secure on their first volleys—a vital part of any good doubles players' armoury."

Of the moderns Dan believes that the great Australians John Newcombe and Tony Roche were the greatest. Certainly at Wimbledon where they won five titles together in the late Sixties they were for a time invincible.

Certainly the changes that have come over the game—the more consistent use of heavy topspin, the harder hitting, the reliance on power rather than subtlety have tended to reduce the number of great rallies—especially on fast courts as at Wimbledon.

However, there is more tennis today being played indoors on the slower plastic carpets, as at the Albert Hall, so that we get any number of great rallies from these fine teams, despite the pace at which the game is being played. It makes for breathtaking watching.

A distinguished American visitor Harold Zimman who is a member of the U.S. Olympic Committee was equally enraptured hy yesterday's match. He has been watching tennis since 1939 and for him the greatest pleasure was provided by that fine U.S. pair Billy Talbert and Gardnar Mulloy who won four U.S. championships together between 1942 and 1948. Theirs was the suhtle approach full of deft delights that always made their opponeots look awkward.

Another pair who had the same effect was the Australian duo who for me are the greatest I have seen—John Bromwich of the two-handed shot on his right side and a left-handed forehand and Adrian Quist, a little fire cracker of a man who fed regularly off the cunning openings created hy his partner. Come to think of it, Bromwich and anyone would probably he my choice as the best pair ever—an accolade which today's pros are prepared to bestow upon John McEnroe.

Although still in mid-career, with perhaps his greatest triumphs still ahead of him, he certainly can produce the most exquisite magic from his educated left arm. We say in the trade that he has good hands—the ability to fade and flick and punch at the last moment with telling disguise and compelling effect.

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Saturday January 8 1983

Sterling out of fashion

EX-PRESIDENT JOHNSON used to say unkindly of President Gerald Ford that he couldn't walk and chew gum at the same time; and currency markets sometimes seem as simple-minded as that would imply. Yesterday afternoon, for example, dealers decided in their collective wisdom that the dollar was over-valued (a view quite openly shared by the U.S. authorities), and started bidding its value down. As they turned their attention to this new prey, the bears suddenly left sterling to its own devices, and the run on the pound, which appeared at times to be in danger of getting out of hand earlier in the week, was for the time being at least, over.

The British Government's attitude to the exchange rate is a great deal less outspoken than that of the Americans. Mrs Thatcher does not believe in devaluation as a way to restore competitiveness when Labour proposes it, but officially we have no target for the exchange rate. The adjustment of the past few weeks, which amounts to quite a sharp devaluation against the EEC currencies, is undoubtedly welcome to manufacturers, but ministers must also worry about its implications for inflation.

No target

If the slide is renewed in the near future, then, they may feel compelled to do something about the exchange rate, target or no target. That something would certainly involve a rise in interest rates—the signal to the markets which for a time put a stop to the previous slide. The quite substantial scale of Bank of England intervention in the markets shown in the reserve figures for December (a short trading month) probably accelerated last week and does show some active concern.

Concern, then; but certainly nothing near panic. There are good reasons why ministers can remain fairly cool about the present situation. First, sterling has moved only in a narrow range against the dollar in the last few weeks; and the dollar rate is the most significant one as a warning of really heavy financial pressure, and for raw material prices. Food prices, thanks to the odd operations of the EEC farm policy, are not affected by sterling's fortunes unless we decide to do something about the value of the "green pound", the artificial unit of account in community food trade. Going down with the dollar is really quite comfortable.

Indeed, as we have pointed out before, a weak dollar is good news all round. It helps interest rates to fall all over the world (because a weak dollar leads to outflows which check U.S. monetary growth), and provides some sort of stimulus to U.S. industry. The OECD has estimated that a 10 per cent fall in the dollar, and a 2 per cent fall in interest rates, would raise world growth by half a point this year and a full point next.

Oil price

However, there must be some underlying worry, for a number of reasons. First, the present episode is not very easy to explain. January is normally a good month for sterling; our current account surplus is still strong, and City opinion is at present veering to the view that the consumer boom, which was supposed to wash away the surplus in a flood of imports, may prove a nine-week wonder. Sterling may be perceived in the markets as a petro-currency, though in fact, since we are only modest net exporters of oil, the balance of payments is not wildly sensitive to the oil price. In any case, sterling did not recover when market sentiment about the oil price changed last week.

One is left with some disturbing possibilities. One is that this is simply one of those changes in market sentiment which occur from time to time—an overdue realisation that sterling is competitively over-valued, and does not enjoy any special means of levitation. This would be a natural enough consequence of the downturn in the dollar; if one over-valued currency can turn, so can another.

Disturbing

The disturbing thing about this is that although the adjustment so far imposed is in many ways welcome, such market movements characteristically overshoot, just as the upward movement in sterling in 1980 did. Investment managers who switch into foreign assets do well, and get more generous budgets; speculators who go short of sterling make a profit, and it becomes a habit. That is why any sustained one-way movement is worrying. The authorities would sleep much more easily if sterling could contrive a strong performance at least against the dollar for a time.

The second possibility is more worrying: that the move is partly political. Even distant elections cast long shadows in the market; but if this thought is weakening sterling now, when the Conservatives still enjoy a solid lead in the polls, and the Prime Minister is revelling in the exercise of personal power, what could happen later? For these reasons, the markets believe that we may soon have to abandon a permissive approach to the rate, and adopt a target or join the EMS. They could be right.

LLOYD'S OF LONDON

The inaugural meeting of the new Lloyd's ruling council

The struggle to restore the image of the club

By John Moore, City Correspondent

"WHAT you need is 20 or 30 full-time lawyers rather than a chief executive to deal with the problems," mused one Lloyd's underwriting agent ahead of the announcement this week that Mr Ian Hay Davison is to become the first chief executive of the Lloyd's insurance market and the City of London's most famous commercial club.

The underwriting agent had a point. Since the summer of 1982 Lloyd's has been rocked by a series of scandals which have shaken confidence in the market and left its image as a bastion of good faith and gentlemanly conduct badly tarnished.

Two Department of Trade investigations are underway into the affairs of Alexander Howden Group and Minet Holdings, two of Britain's largest insurance brokers. The Trade Department is being helped in its inquiries by the City of London Police Fraud Squad.

The chairman of Minet Holdings was forced to resign, when he admitted that he had secretly benefited from transactions carried out for the members of Lloyd's whose affairs Minet looked after.

Lloyd's is locked in litigation with one of its underwriters, Mr Ian Posgate, who is also a member of the Lloyd's ruling council.

Lloyd's has had a turbulent 300 year history. Starting life in a coffee house in the late seventeenth century, Lloyd's reputation declined rapidly as a gambling den in the eighteenth century. So serious was the crisis, it forced a group of underwriters to break away and reform the Lloyd's market. In the 1920s the market suffered a major fraud which led to the banning of credit insurance by Lloyd's and the creation of a central fund, designed to protect policyholders in the event of any default by underwriters.

There have been other cases of malpractice in the market over the years but the last five at Lloyd's have been one of the market's most troubled periods.

It is the dimension of the present scandals which have surprised the City and Parliament, and caused concern in the Bank of England, which is worried about the adverse impact the troubles might have on the overall image of the City and the damage that might be done to the economy. Lloyd's is, after all, the City's largest invisible exporter.

No Lloyd's policyholder has suffered as a result of the scandals, but something like one in two of the 16,000 dormant membership—the "armchair" underwriters—are potentially affected by the current troubles.

HOW THE NEW MAN WILL FIT IN

"IT IS a historic day for Lloyd's," said Sir Peter Green, Lloyd's chairman, as he introduced the first chief executive of the world's oldest insurance market to the press on Wednesday.

Words were being chosen carefully in the Captain's Room in Lloyd's Lime Street building as Sir Peter began to explain the role of Mr Ian Hay Davison in his £120,000-a-year post as chief executive of Lloyd's and deputy chairman of the market's new ruling council.

Although Mr Davison's precise role has yet to be defined, there is little doubt that he will be calling most of the shots.

Until now the head of the Lloyd's governing hierarchy has been the chairman of Lloyd's, supported by two deputy chairmen, who have been members of a Lloyd's committee, composed of 16 working members of the market. The chairman and the two deputy chairmen have been elected to office by the committee members, who have been elected to their positions by members of the market.

The administrative side of Lloyd's—the Corporation of Lloyd's staff of 1,800 which provide support services for the brokers and underwriters—is headed by a secretary-general, a title which was introduced in the 1970s to replace that of "principal clerk."

The secretary-general reports to the chairman of Lloyd's and the committee from which all authority has flowed in the past.

This is all changing. New legislation, promoted by Lloyd's to improve its methods of self-regulation, has come into force. This has created a new ruling council of 27, which will become 28 once Mr Davison takes his seat. That council will be able to create by-laws under a new Act of Parliament which will establish a framework for effective self-regulation in the market.

The core of the council, which met for the first time this week, consists of 16 members of the Lloyd's committee. The remainder of the council is made up of eight members of Lloyd's who do not work in the market but who pledge their capital to allow the Lloyd's market to function. They are joined by three independent members, who have no connection with Lloyd's and whose appointment has been confirmed by the Governor of the Bank of England.

The council is now the ultimate policy and rule making body although it has delegated a wide variety of executive functions to the Lloyd's committee, which will remain as a unit within Lloyd's.

With the arrival of Mr Davison, there is speculation within Lloyd's that perhaps the office of chairman of Lloyd's could eventually become less important, with the chairman fulfilling duties as an ambassador of the market.

"I don't think the chairman will end up shaking hands and hosting lunches alone," said one committee member although there is considerable vagueness about how responsibilities are to be divided up between Mr Davison, the two deputy chairmen, the chairman, and the senior corporation staff.

IAN HAY DAVISON
Calling the shots

So how are the rank and file investors reacting to the wave of scandals—and how is Lloyd's leadership trying to put its house in order?

The sleeping membership—comprised of sporting personalities, businessmen, television personalities, politicians, lords, ladies, members of the royal family, insurance men and entrepreneurs—is not exactly phlegmatic about what has happened.

"There was general revulsion about the situation when the people we trusted became involved," said Mr Keith Whitten, chairman of a computer company and a member of Lloyd's. He sits on the committee of the Association of Members of Lloyd's, one of two associations formed since 1980 on the initiative of a group of the sleeping members in a move to protect their interests in the market.

Like all members of Lloyd's, Mr Whitten has joined the market to gain a better return on his assets. Lloyd's is a very attractive investment for high taxpayers and offers many tax advantages, and the prospect of income from investments as well as underwriting profits.

All the members of Lloyd's are expected to put their trust unquestioningly in an underwriting agent to look after their affairs, and the underwriting agency companies are often owned by insurance broking groups.

When the market was much smaller it was possible for underwriting agents to build up close relationships with the membership. In 1871 there were under 700 members of Lloyd's. Today there are over 20,000 members. As recently as 1977 there were only 10,700 or so members. Agents now no longer can maintain such a close contact.

It is unsurprising then that some underwriting members who have joined in recent years complain that they have not been invited to meet their agent or their active underwriter, who accepts insurance business on their behalf, for as much as a glass of sweet sherry.

As the market has expanded—currently accepting £2.8bn of premiums on Lloyd's insurance policies, compared with under £800m in the 1970 underwriting account—so the agents and other working members have sought ways to simplify their business systems and make them more efficient. This has meant that there has been less formal disclosure to the underwriting members about their affairs rather than more.

Moreover, the sleeping members of the market are not allowed to interfere in the day-to-day operations of underwriting at Lloyd's and most of them are ignorant of insurance matters.

Many investors now feel that this environment has allowed business ethics to become distorted.

According to Mr Robert Kiln, a former member of the committee of Lloyd's (who resigned over a year ago), and head of an underwriting agency company, the standards of behaviour at Lloyd's deteriorated during the 1970s and "went unchecked due partly to there being no codes of conduct or behaviour" within Lloyd's.

"A great deal is taken on trust by members," said one sleeping or external member "because Lloyd's is a great City institution with a long history." Like others, he assumed "that standards exist which frankly are not there."

Mr Robert Hiscox, chairman of his own underwriting agency company and the son of a former chairman of Lloyd's, told his members in a letter: "I am extremely disappointed at the apparent frailty of some senior people within the Lloyd's community. When you are in the business which is backed by outsiders with unlimited liability, the highest integrity is essential."

At the centre of such losses of confidence are allegations that some working underwriters have taken advantage of the freedoms enjoyed by Lloyd's.

They are alleged to have been arranging reinsurance contracts with offshore companies in tax havens such as Bermuda, Grand Cayman and Gibraltar — companies in which they had a direct or indirect shareholding.

Sir Peter Green told his committee in November that it should not be implied that there is anything improper in these relationships providing that they are properly disclosed and that the level of benefit derived is not abnormal.

Nevertheless, the spate of scandals has given new impetus to Lloyd's plans for the widest range of reforms in its history.

Since 1980 it has been preparing to implement proposals to improve its self regulatory mechanisms which were recommended by Sir Henry Fisher, a former High Court judge who was commissioned by Lloyd's to look at the issue.

Sir Henry's proposals formed the basis of new legislation which was passed by Parliament last summer. With its new legislative powers, Lloyd's is creating a disciplinary framework, for dealing with abuses within its market.

A new ruling council has been created which is more representative of the market and its investors than the previous regime.

Work has already started on other issues. For example, Lloyd's is studying plans to increase the information to its sleeping members.

One of the most significant changes is the appointment now of Mr Ian Hay Davison, largely at the prompting of the Bank of England. Mr Davison regards a review of the reinsurance activity of Lloyd's as one of his first jobs. Already, at the request of Lloyd's he is heading a working party which is designed to improve Lloyd's accounting and audit procedures. This review is expected to make radical recommendations on the amount of disclosure required at Lloyd's particularly in the area of reinsurance.

All this should comfort investors in Lloyd's. Lady Middleton, a general's daughter and a founder member of an association of members, perhaps reflected the mood this week when she said she regarded the appointment of Mr Davison with "relief and great pleasure. What has happened in recent months at Lloyd's had almost dissolved my faith in human nature."

Letters to the Editor

Commissions

From Mr R Eats

Sir,—I agree in general with the disquiet voiced (January 6) by Mr David Pope about the disarray on commission levels in the life insurance industry.

In particular, Mr Pope notes the wide difference in commission generated by investment direct into unit trusts and into unit trusts via single premium insurance bonds. Three per cent is the uniform insurance broker's commission on unit trusts whereas 4½ per cent is merely an opening bid with many bonds. The increase in bond commission is more a matter for consumer concern after a Finance Act which has markedly increased the attractions of unit trusts from a capital gains tax viewpoint.

For the investing public this conflict of interests now facing professional advisers has been made worse by the Department of Trade's new rules on licensed dealers in securities. The insistence of the department that only licensed dealers may give independent advice on unit trusts will mean some smaller firms of financial advisers, who will find the new rules are too onerous and expensive to comply with, will confine themselves to selling bonds. The financial incentives and the legal constraint will mean the quality of investment advice available to the public is reduced.

Moreover, the increased costs of attracting broker business will mean more companies will rely on direct sales forces to generate sales. This again will reduce the independent value of financial advice available to the public, and will squeeze the brokers by taking away potential clients.

With the increasing range and complexity of financial products, the public needs more and better independent advice, not worse. The insurance companies have now shown that the desire for increased brand share financial intermediaries, even if it were fundamentally their responsibility to do so. I believe that either all those involved in providing personal financial advice (and there are far more firms than insurance brokers and more services than those offered by insurance companies) should themselves begin working towards a professional association with powers of self-regulation or we may find the Department of Trade attempting to regulate the situation itself; and the new rules for licensed dealers should be read closely by those who are unconcerned by that eventuality.

Richard Eats,
Chieftain Trust Managers,
Chieftain House,
11, New Street, EC2.

Brickettistes

From Mr S. Guebenlian

Sir, — Do-it-yourself brickettiste Ms Millard (December 17) wishes the FT to be less sog-resistant while Mr Pilkington (December 24) is laudably anxious to eliminate the frivolous aspects of the FT's super-combustibility, and wants newspapers industrially recycled into paper again; he does allow for some of the mushy pulp to provide covering for toy crocodiles.

Having begun this correspondence, I may be allowed to attempt to conclude it—at least for the current season. Mr Pilkington's idea has an in-built costly problem: how to organise the collection of unwanted newspapers nationally for recycling while paper mills eagerly wait—and toy crocs tingle in anticipation of pink overalls.

Personally, I intend to continue using hand-squeezed FT balls—the best and unchallenged combustibles—to start my charcoal fires, and leave the sogging to the lady soakers of the South Coast and the paper mills of Herts.

Yet surely the most alarming predicament for us all might evaluation of Fleet Street's current problems, written by Alan Hare—chief executive of the FT and published recently in The Times (sic)—come to pass. We might find ourselves without any nationals at all: to read, to burn, to brickette, to pulp—or to aesthetise crocodiles.

S. Guebenlian,
Penthouse B, Ross Court,
Putney Hill, SW15.

Services

From Mr E. Chalker

Sir,—In our area, just south of the London postal districts, the last post collection on December 31 was at 3.30 pm. In the neighbouring SE20 district, it was 1 pm. No further collections were taken until January 4, amounting to the omission of two days normal collections.

Our local supermarket was open until 8 pm on December 31. The usual domestic milk delivery was made on January 1. Newspapers were delivered on January 2. The local supermarket opened again on January 3 (at 8 am).

If the so-called "public service" Post Office cannot serve the public at least as well as private services do, what is the basis of continuing to maintain it as a monopoly?

E. R. Chalker,
TCS Computer Bureau,
5-7 Albemarle Road,
Beckenham, Kent.

Engineers

From Mr E. Marshall

Sir,—P. J. Bell (December 24) by omission, misquoted the Engineering Council's policy statement. The opening two sentences in the section he quotes read "The charter of the EC states that for the period of three years, the first chairman and up to 24 members will be appointed by the Secretary of State for Industry. Thereafter the chairman and members will be selected by the council from a list."

to accept a governing body appointed by a politician and with the members of the profession disenfranchised. I would suggest that the Secretary of State for Industry asks Mr Tebbit to try foisting the same arrangement on the unions. What is being proposed is the same self-perpetuating boards as the building societies.

Don't worry Mr Bell, a well organised postal vote to ensure maximum confusion with the Christmas mail, minimal discussion, a voting procedure which if used for the Scots Referendum would have given a different result, coupled with a £1m a year income to lubricate the change over should ensure a yes vote.

Just one final thought, if the Government did want to raise the status of the professional engineer, as the direct and indirect employer of most of us, it could try paying its engineers a salary commensurate with being "paramount to the nation's future industrial, economic, and social prosperity" and not less than a social worker running a couple of youth clubs.

E. A. Marshall
31, Carnoustie Avenue,
Govrock, Renfrewshire.

Electricity

From the Director of Finance and Commercial Development, South of Scotland Electricity Board

Sir,—Mr Trowbridge, director-general of the Chemical Industries Association, is quite right in asserting (December 21) that standard terms are more favourable in Scotland and we believe we can convince the association that the SSEB is offering an equally attractive deal with the contracted load scheme.

In practice, this scheme gives discounts which, on average, exceed the 10 per cent figure Mr Trowbridge would prefer although the benefits to individual consumers in percentage terms depend on the load reductions they achieve, their load factor and other technical considerations. I know that certain have had difficulties in modifying their operations to take full advantage of the terms.

Mr Trowbridge repeats his claim that the SSEB penalty terms for failure to meet the contracted load reduction are more severe than in England and Wales. I repeat the answer that exactly the opposite is the case. Although there may be structural differences in the operation of the terms the financial penalty for load in excess of the contracted demands are very much less in SSEB.

G. H. Reid,
SSEB.
Cathcart House,
Spean Street, Glasgow.

Registering

From Mr G. Sams

Sir,—I am surprised to read (December 23) that the National Council for Civil Liberties takes the view that the proposed data protection legislation does not go far enough. Does it not realise that this proposed legislation will, in fact, do a great deal to reduce the "liberty" of individuals, organisations, small companies, and multinationals alike?

Absolutely anyone using a microprocessor (costing from £100 upwards) to store names will be required to register under the proposed legislation. Individuals simply storing friends' names are the only group able to apply for exemption. They will thus be registered as unregistered.

Any group or organisation, however, using the ubiquitous microchip to keep membership lists will be required to register full details of types of information kept, and the reasons for maintaining that information, with the data control authorities. It seems that the only groups or organisations exempted from any control are those which are perhaps most likely to misuse, lose, or abuse the information held — government, local authorities, social

It would appear as if this proposed legislation, in its current form or in a "strengthened" format, completely turns upside down the principles which spawned it by making available to central government a complete register of all the data bases across the nation. It is not hard to imagine downstream legislation designed to make the actual contents of these lists available to central authorities should the interests of "national security" deem it necessary.

Gregory Sams,
2, Trevelyan Gardens
NW10.

Dissipation

From Professor D. Myddelton

Sir,—The latest forecast (January 5) from the Cambridge Econometrics Group suggests, that much of the expected recovery in consumer demand in 1983 will be "dissipated" in imports.

As a consumer I enjoy "dissipating" my income as I choose: on my Canadian typewriter, for example, or my German car, or my Italian briefcase, or my Japanese television set, or my Singaporean calculator, or my Swiss watch. Not to mention the intangibles. I import my economics from Vienna and Chicago: the Cambridge variety is too parochial for my taste.

For examples of real "dissipation" see where our tax money goes: to support British Steel keeping open unprofitable plants and losing £500m a year, to British Leyland continuing to buy from uncompetitive UK components suppliers and losing £500m a year, or to the National Coal Board keeping open unprofitable pits at a cost of some £300m a year.

Still, perhaps we should look on the bright side. Thank goodness all those foreigners choose to "dissipate" enough of their income in our direction, so that the UK has a large balance of payments surplus.

(Professor) D. R. Myddelton,
Cranfield School of Management,

David Churchill looks at the issues raised by the current controversy over British merger policy

A confusing time for merger makers

ON THE sixth floor of an anonymous office block just opposite the bankruptcy courts in London's Carey Street, a drama unfolded last autumn which, it now appears could have a profound influence on the freedom with which large companies are able to merge in the latter half of the 1980s.

Around a light-oak coloured table at the headquarters of the Monopolies and Mergers Commission, six men were locked in heated debate over whether Charter Consolidated, the mining finance company, should be allowed to take over Anderson Strathclyde, a leading Scottish manufacturer of mining equipment.

The six Commissioners came from different walks of life: there were an industrialist, a solicitor, a trade union official, a management consultant, an economics professor and a Queen's Counsel, Sir Godfray Le Quesne, who is chairman of the Commission.

Their deliberations, while protracted and passionate, never degenerated into a slanging match. The Commission is far too genteel for that. Yet the conflicts which developed during the six months of their investigation did not end on November 22, when a majority of the Commission signed a report concluding that the proposed merger was against the public interest.

Instead, the report—and the Department of Trade's reaction to it—have provoked a major public argument over the Government's merger policy.

Mr Peter Rees, a junior trade minister (acting in place of Lord Cockfield, the Trade Secretary, whose shareholding in Charter Consolidated gave him a conflict of interest) rejected the majority verdict.

Instead, Mr Rees sided with Sir Godfray and another commissioner who had signed a minority report concluding that the bid for Anderson Strathclyde would not operate against the public interest. The same advice came from Sir Gordon Borrie, the Director-General of Fair Trading, who had submitted his own report to the Government.

It was the first time in 18 years of merger investigations that the Government had rejected the Commission's advice and the first time Sir Gordon had dissented from the majority verdict. The immediate upshot has been a major parliamentary row and the resignation from the Commission of Professor Andrew Bain, a signatory of the majority report.

But there will also be longer-term repercussions: the Government is under pressure from both its own backbenchers and industry to clarify its merger policy.

Even the CBI now believes that the time is right for some elucidation. "We would certainly like to see some sort of statement soon," says Mr Andy Noone, the head of the industrial policy department at the CBI.

Companies contemplating a merger are now in some confusion as to weather they will be referred to the Commission—and why.

Many industrialists feel that intensive lobbying by pressure groups may have a greater impact both on whether mergers are referred to the Commission than a strict analysis of the public interest issues involved.

A familiar chain of events is for the company which is the subject of an unwelcome bid to mount a powerful campaign involving employees, trade unions and MPs in the hope of persuading the authorities to pass what has now become a "hot potato" over to the Commission; there is then a fair chance that the would-be acquirer will drop the bid. The Wolseley Hughes campaign against the bid from Tarmac in 1973 was a classic of this kind.

More recently, it has been the Commission itself which has come into the political firing line, mainly because of the alleged inconsistency and unpredictability of its decisions.

So who are the Commissioners and how do they reach their verdicts? The Monopolies and Mergers Commission has survived for some 34 years as the guardian of business competition while politically more sensitive pay boards and price commissions have come and gone. The Commission has some 25 part-time members, with a full-time chairman and three half-time deputy chairmen. They are backed up by 100 civil servants (including economists, accountants, and lawyers, and the whole operation costs over £1m a year to run.

The Commissioners — who continue their normal careers —are drawn from industry, finance and commerce, as well as trade unions, the professions and consumer bodies.

A delicate balance of appointments is made to ensure no one sector's views predominate. Recent appointments, made by the Trade Secretary, include Mr Leif Mills, general secretary of the Banking, Insurance and Finance Union, Sir Ronald Swayne, former chairman of Overseas Containers, and Mr Peter Dean, a director of RTZ.

Appointments are normally made for three years but these are usually renewed automatically. Over the past couple of years, however, the Commission has had a higher turnover than normal of commissioners.

The way the Commission makes up its mind is often criticised by those who have gone through the investigation process: "I felt I was in a court," says one industrialist. "They also wanted a ludicrous amount of detail—so much that it blocked out some six months of my life. Yet it didn't really need six months to settle the crucial issue."

Most merger investigations follow a standard pattern. This is for the Commission to hold formal hearings with the companies involved (they may be asked back for second hearings) as well as with other interested parties. Commissioners will often take the opportunity to visit a particular location or factory to gain extra evidence.

A former member believes that the Commission's structure for dealing with mergers may be at fault: "It tends to be the same team of civil servants and commissioners involved each time, simply because they are not involved with the longer monopoly and competition investigation."

Sir Godfray also comes in for some criticism. An industrialist who has faced him across the table says: "He is a very good judge but he knows little about business." A former commissioner, who served with Sir Ashton Roskill, the previous chairman, believes that Sir Godfray is too cautious and legalistic. "Roskill would never have got into the position that Le Quesne did over the Charter/Anderson bid," he says.

But ultimately it is the Government that determines merger policy. Apart from one statement by Mr John Nott, when Trade Secretary, about conglomerate mergers, the present Government has stayed silent on the issue. Lord Cockfield is said to be waiting for his officials to complete a policy options document for him. Some sort of statement is promised for the spring.

Prof Tibor Barna and Mr Roger Opie, another ex-commissioner, believe that present policy is too heavily biased in favour of mergers. Both think that suggestions in the 1978 Liesner report (an internal Whitehall review of merger policy)—of a shift towards a more neutral merger policy—should be considered.

But perhaps the delicacy of merger policy is best summed up by Sir Gordon Borrie, commenting on the Government's decision last month to over-rule his advice that a proposed merger between Abele, an Isle of Man-based company, and Illingworth Morris, the textiles company, should not be investigated by the Commission.

Sir Gordon says philosophically: "There is a very fine balance of judgment involved in such cases. When you are not dealing with clear-cut issues, it comes down to a matter of fine judgment."

Sir Godfray Le Quesne (left), Lord Cockfield and Sir Gordon Borrie (right)

The hurdles that must be cleared

THE MAIN reason for the confusion of merger policy in the UK stems from the wide definition of the public interest — the philosophy which is supposed to be the basis on which decisions are made.

Section 84 of the 1973 Fair Trading Act gives the *Monopolies Commission* considerable freedom to determine the public interest. However, it does contain guidance about five specific areas which should be taken into account. These are: competition; the interests of consumers; costs and innovation; a balanced distribution of industry and employment in the UK; and exports.

But the Commission can also take into account "any other matter which it considers in the particular circumstances to be relevant."

This wide ranging freedom means that it is difficult for companies to know what factors the Commission will actually take into account. Other competition laws, such as the restrictive practices legislation, have a narrower set of guidelines. However, these also have been criticised for enabling companies more easily to find loopholes.

In many other industrialised countries merger controls tend to be based more firmly on competition issues, such as whether or not a merger would create a monopoly situation which would harm the public.

In the UK, some form of merger control has existed since 1965, but the present procedures, involving the Office of Fair Trading, as well as the Commission, date from 1973.

There is a five-stage process for merger control:

1—All mergers which involve assets of more than £15m or which would give the merger company more than 25 per cent of the market are considered by an OFT mergers panel for possible referral to the Commission.

In 1981 the panel considered some 164 mergers (involving total assets of almost £44bn) and referred eight to the Commission. In the first 10 months of last year, some 138 mergers were looked at and 10—a record number—were referred.

2—The actual referral advice is made by the Director-General of Fair Trading to the Trade Secretary, who can accept or reject it. Since 1973, the Trade Secretary has overruled the Director-General only on a handful of occasions.

3—The Commission has some six months to weigh up the public interest issues involved and reach a conclusion. The investigation is carried out by six or seven commissioners.

4—The Director-General also offers his advice on the Commission's report to the Trade Secretary.

5—The Trade Secretary then has to decide whether to accept the Commission's conclusions. He can enforce the decision with statutory powers

In the 18 years of merger investigations, 20 mergers have been abandoned once referred, while 22 have been found to be against the public interest after an investigation. Some 25 mergers were found not against the public interest and thus allowed to proceed. Four mergers are currently under investigation.

Weekend Brief

Illusions of an America's Cup racing yacht

BE OF GOOD cheer all you arm-chair sailors who read about, and envy, bronzed playboys practising endlessly and expensively for the elusive America's Cup in 12-metre yachts worth at least £1m apiece.

Next time you go on holiday just lash your own mini-Twelve yacht to the roof rack and enjoy yourself emulating the great and the well-heeled.

Two keen British sailors, Jo Richards and Neil Graham, have designed, and are now building, scale models of a Twelve which guarantee the fun without calling for a fat cheque book or a full crew of trained gorillas.

The 12-foot long boats—they are certainly not mere models —are being built in glass plastics at Cowes and are selling worldwide. A full-size Twelve is about 60 ft in length.

They are calling their craft the *Illusion* and I can quite understand why the name was thought appropriate. When an *Illusion* is seen sailing from a little distance she looks precisely like a real Twelve apart from the out-of-scale head of the helmsman poking up from the cockpit.

As I carved a passage through stormy reservoir waters recently off the Datchet Water sailing club I found that the small waves, kicked up on this inland sea in a Force 7 westerly wind, made the boat behave with the same easy motion as a full-size thoroughbred yacht beating to windward.

The *Illusion* is not kid's stuff. Sailing such a small yacht properly while lying flat on one's back in the hull is quite a difficult task requiring a degree of cordination to do several things at once. I squeezed down with my head poking just above the deck. All sheets and halliards were carefully draped on my lap with cleats for them in a row along the forward edge of the cockpit.

There is a bilge pump just in case the yacht broaches to and the cockpit fills with water while it is lying on its side. But it is rarely necessary to pump out.

The ride is usually quite dry apart from sprey in the face. And, whatever happens, the yacht has ample built-in buoyancy tanks to stay afloat.

Off I went with the yachtsman's gale blowing to urge the boat along. Looking along the heeled deck just touching the water the effect was uncannily like being aboard a full-scale Twelve.

Illusion cannot sail at more than the speed dictated by her hull length—some 4½ knots—but the effect of fast sailing is scaled-up by one's nearness to the water. It feels more like a hairy 10 knots.

There is always plenty to do in the cockpit where one sailor is in control instead of the usual crew of ten or more. Your own two hands have to cope with the genoa sheets, the main sheet, the spinnaker sheets and guys, the back-stay tensioner, and all the other refinements of a Twelve rig. The designers have been resolutely determined to keep to the style of a real Twelve and have, as far as possible, avoided making concessions which suggest that it is in any measure a "model" yacht.

Wheel or tiller steering is not possible in such a tight cockpit. *Illusion* is steered by a foot-bar which is rather like a go-Kart system. Press the left foot and you turn to port. . . .

Colin Merret of Racing Sailboats, Este Road, London SW11, is selling *Illusions* alongside his racing dinghies and is delighted at the way this novel form of sailing is developing. Some well-heeled individuals have bought *Illusions* of their own at £1,719.25 each including VAT. Most of them have been owners of full-size yachts. Some are just anxious to continue sailing while their own boats are laid up out-of-season. Others like the opportunities offered by the *Illusion* to try out big boat sailing tactics by yourself during odd moments such as early morning and late evening. More than 80 have been sold in less than a year.

While the Victory Syndicate is practising hard with full-sized Twelves to compete in the America's Cup this year the crewmen have a couple of *Illusions* which they report do handle "in a similar fashion to the real thing."

I think there is a good future for these 12-foot real yachts for match-racing between members of sailing clubs. Expenses can be spread if the clubs buy the boats. And many an argument about helmsmanship qualities which starts round the bar can be settled on the water quite decisively.

The beauty of racing the *Illusion* is that the design can provide a precise test of match racing skills. The boats are of a standard weight. Some 400 lbs of lead in bags is added into the keel as ballast. It is an easy matter to weigh the helmsman and to adjust the ballast so that each boat and sailor faces the start at precisely the same "all-up" weight. What could be fairer than that?

Roger Taylor

Our intrepid reporter sailing an Illusion Mini 12 metre yacht at Datchet Water Sailing Club

Nostalgia boom from old photographs

WHEN JOHN BUCK took voluntary redundancy from the Rothmans cigarette group in the mid-70s, he embarked on a venture which not only has given him the satisfaction of running his own business but also saved for posterity a unique photographic record of the urban landscape of Victorian England.

Buck has kept intact—and made enterprising use of—the Francis Frith collection of 250,000 photographs of virtually every village, town, and city in the UK as it was during the second half of the 19th century.

Frith in his heyday was almost a household name, with high street shops proudly announcing that they were "agents for Frith's postcards." Three expeditions he undertook to the Middle East in the middle of the century won him widespread acclaim in the photographic world as well.

Frith and Co rapidly became the largest photographic publishers in the world, enjoying substantial sales of post-card sized prints, especially the collectors' albums of Nile pictures. Yet following Frith's death at the turn of the century, the unique collection he had built up was never really fully made use of by his successors.

By 1970, the collection was close to destruction as the liquidators were preparing to demolish the old house in which the plate negatives were stored.

John Buck recalls that Rothmans became involved when the McCann Erikson advertising agency, which handled some of Rothman's advertising, were persuaded by a photographic historian to buy the collection to use for promotional purposes.

Rothmans did buy it for a small sum—but unfortunately the promotional budget for a new cigarette launch ran out so the prints were not used. Eventually, Rothmans decided to sponsor an exhibition of the prints to coincide with the launch of another new cigarette brand (Louis Rothman Select) of which Buck was a brand manager.

The brand launch flopped (most cigarette launches do) but the exhibition was a great success. However, Rothmans still was unsure about what to do with the collection which had proved such a great draw in the 11 cities in which it was featured.

At that time, the company was pursuing a management development policy which created small businesses for company managers to run as profit centres. John Buck was offered the chance to make some commercial use of the prints—which he did as an up-market print operation for about 18 months. Then Rothmans changed its policy and decided to sell off its small activities and concentrate on its real *business of selling* cigarettes.

Buck was able to persuade the company to let him buy the photographic collection with his redundancy pay and savings. That was in 1977—and Buck the Russian-backed Communists immediately realised that the growing boom in nostalgia from people wanting to remember the "good old days" could lead to the prints being marketed in a number of different ways.

Besides framed photographic prints, heavily promoted in the Sunday colour supplements, there are table mats, coasters and wall murals as well as a range of products being made under licence such as greeting cards, calendars and post-cards.

All the prints use the sepia colours associated with photographs of that era—and Buck claims that the quality of the negatives gives a better result than modern methods normally produce.

Now Frith prints are sold in about 700 high-street shops and a new direct-marketing campaign is about to be launched. Buck is also keen to promote the use of prints through licence deals and by doing special promotions for a wide range of manufacturers. The market for Frith prints and products has grown from a few thousand pounds to over £750,000 in the past five years. Who said nostalgia didn't pay?

The long heroin trail from Pakistan

International travellers leaving Pakistan are being given a rough time these days and they have three groups to blame for it. The first are the revolutionaries in Iran. The second are in neighbouring Afghanistan and the third are the unruly tribesmen of Pakistan's wild west, the rugged and beautiful North-West Frontier Province which in the past three years has become the world's number one producer of heroin for export to the West.

The upheavals in Iran and Afghanistan effectively closed off the traditional markets for the vast quantities of opium grown by Pakistan's frontier tribesmen who have now turned to producing heroin in such vast quantities that narcotics control agencies in Europe and the U.S. describe it as an epidemic.

Nobody knows just how much heroin is produced by the tribesmen, who find the drug an easier and much more marketable commodity than opium, but Pakistan has emerged as the largest supplier to addicts in London and probably the rest of Europe.

The problem has also reached such a vast scale in the U.S. that it has become a serious source of friction between Pakistan and Washington which last year signed a US$3.2bn arms and economic package with President Zia ul-Haq's regime as part of the West's efforts to stem Soviet expansionism.

Most of the heroin is believed to leave the country on direct flights from Karachi and Lahore where passengers are subjected to intensive, not to say, obsessive searches. The heroin then filters through to a well-organised network of Pakistani and Western dealers who market it on the streets for vast profits.

In 1980 the Pakistani authorities seized a mere 10 kg of heroin internally, still the biggest haul in the world. In 1981 this shot up to 350 kg and last year that figure soared again to 850 kg. At the same time in the first eight months of 1982 250 kg of Pakistani heroin was seized in Western Europe.

President Zia's regime is making major efforts to stem the flow. But the heart of the problem lies in the fact that Pakistan's tribal areas west of the town of Peshawar, capital of the North-West Frontier Province, which includes the Khyber Pass, and the old silk route to China, are beyond the laws of Pakistan. They enjoy a special administrative status and the regime in Islamabad fears that any attempt to go in and attempt to close the dozens of new heroin laboratories could provoke a tribal revolt.

Tribesmen in these areas, where heroin is sold quite openly on road-side stalls side by side with consumer goods, food and spices, have made their living from smuggling for centuries and to move against them would threaten a major source of income. One recent attempt came close to promoting open warfare with Pakistani troops.

Since the Russian invasion of Afghanistan the situation has been further complicated by the influx into Pakistan of nearly three million Afghan refugees. Heroin has also become a source of income to the Afghan guerrillas who use the income to buy arms for the struggle against the Russian troops across the border.

Sooner or later, however, the Pakistani government will have to act more firmly if only because the heroin explosion has also sharply increased the number of heroin addicts in Pakistan itself.

Contributors:
Roy Hodson
David Churchill
Alain Cass

Economic Diary

TODAY: Sir Geoffrey Howe, Chancellor of the Exchequer, visits Saudi Arabia to discuss increased Saudi loans to the International Monetary Fund. Philips is to hold talks in Paris with Thomson Brandt for a joint European offensive against Japanese competition in video equipment and other consumer products.

TOMORROW: British Rail increase fares.

MONDAY: Central Bank governors meet in Basle. Provisional December wholesale price index numbers. European Parliament meet in Strasbourg (until January 14). South Wales miners have talks with the NCB chairman on investment.

TUESDAY: Final November retail sales. Provisional figures for vehicle production in December. Hire purchase and other instalment credit business (November). Pro Ned with FT conference on "Non-executive directors—how they can help your business" at Midland Hotels, Manchester. Council of Civil Service Unions meets on pay. American and EEC officials hold talks in Washington on agricultural policy (until January 13). Public inquiry into the future of London's airports at Crest Hotel, Heathrow

WEDNESDAY: TUC economic committee meets. Central Government transactions (including borrowing requirement) during December. Index of industrial production for Wales (third quarter).

THURSDAY: UK banks' assets and liabilities and the money stock (mid-December). London dollar and sterling certificates of deposit (mid-December).

FRIDAY: Usable steel production (December). Finished steel consumption and stock changes (third quarter-final).

BUILDING SOCIETY RATES

	Deposit rate %	Share accounts %	Sub'pn shares %	%	Others
Abbey National	6.00	6.25	7.50	7.25	1-year high option, 7.25 6 years sixty plus, 6.75 min. £100, 7 days' notice no interest lost
Aid to Thrift	7.00	7.25	—	—	
Alliance	6.00	6.25	7.75	7.25	3 years Money Monthly £1,000 min. Interest paid monthly
Anglia	6.00	6.25	7.50	7.25	3 yrs., 2 mths.' withdrwl. notice
Birmingham and Bridgwater	6.00	6.25	7.75	7.25	Extra Interest Shares
Bradford and Bingley	5.75	6.25	7.25	7.00	1 m. not. or on dem. (int. pen.)
				7.25	High I. a/c 3 m. not. (no pen.)
Britannia	6.00	6.25	7.25	7.25	Option Bond, 7.25 2 mths.' not.
Cardiff	6.00	7.00	7.75	—	
Cardiff	—	*7.50	—	—	* Share a/c bal. £100,000 & over
Catholic	6.00	6.50	7.50	7.50	6 month's deposit, £500 min.
Century (Edinburgh)	6.50	7.00	—	8.50	2-4 years
Chelsea	6.00	6.25	7.50	7.25	3 yrs., £1,000 min. 90 days not. + int. loss
Cheltenham and Gloucester	6.00	6.25	7.25	—	
Cheltenham and Gloucester	—	7.25	—	—	Gold Account—savings of £1,000 or more. No notice—no penalty
Citizens Regency	6.00	6.50	8.00	7.50	3 yrs. Double Option shs. 7.40
City of London (The)	6.25	6.60	7.50	7.50	Capital City shs. 4 mths.' notice
Coventry Economic	6.00	6.25	7.50	7.75	4 yrs., 7.50 3 yrs., 7.25 3 mths.
Derbyshire	6.00	6.25	7.50	6.75-7.35	(3 months' notice)
Guardian	6.00	6.50	—	6.25	6 mth., 7.75 3 mth., £1,000 min.
Halifax	6.00	6.25	7.25	7.25	Extra Interest Plus, 3 months' wdl. notice or loss of interest
Heart of England	6.00	6.25	7.50	[illegible]	1 mth. not., 7.25 flexi 1m. 3 yr.
Hemel Hempstead	6.00	6.25	7.50	7.75	3 yrs., 7.50 3 months
Hendon	6.50	7.25	—	6.00	6 months, 7.75 3 months
Lambeth	6.00	6.50	7.75	8.00	6 mths., 7.75 28 days, 7.25 3 m.
Leamington Spa	6.10	6.35	6.60	—	
Leeds and Holbeck	6.00	6.25	8.00	8.25	5 yrs., 7.25 1 month int. pen.
Leeds Permanent	6.00	6.25	7.25	7.25	3 yrs., E.I. a/c £500 min. 7.00
Leicester	6.00	6.25	7.25	7.25	3 yrs., 7.25 3 months
London Grosvenor	6.00	6.60	8.50	7.10	3 mths.' notice 1 mth. int. pen.
London Permanent	6.00	6.75	—	7.50	1 mth. not. or on dem. (int. pen.)
Midshires	6.00	6.25	7.50	7.25	1 year, 3 months' notice no pen.
Mornington	6.80	7.30	—	—	
National Counties	6.25	6.55	7.55	8.25	6 mths.' min. deposit £500
				7.50	1 mth. min. deposit £500
National and Provincial	6.00	6.25	7.25	7.25	3 years, 7.00 1 month
Nationwide	6.00	6.25	7.25	7.25	3 yrs., £500 min. imm. wdl with penalty. Bonus a/c 7.00 £500 min. imm. wdl. with penalty
Newcastle	6.00	6.25	7.50	7.75	4 yrs., 7.25 28 days' notice, or on demand 28 days' int. penalty
New Cross	6.75	7.00	—	7.00-8.00	on share accs., depending on min. balance over 6 months
Northern Rock	6.00	6.25	7.50	7.25	High Interest share, 7.75 3 yrs.
Norwich	6.00	6.25	7.50	7.25	3 yrs., 7.00 2 yrs.
Paddington	5.75	6.75	8.25	7.25	7 days' notice
Peckham	6.75	7.00	—	7.50	2 y., 8.00 3 y., 8.50 4 y., 7.25 Bos.
Portsmouth	6.35	6.55	6.05	8.40	5 yrs., 8.00 6 mths., 7.50 1 mth.
Property Owners	6.25	6.75	8.25	8.25	4 yrs., 8.25 6 mth., 7.75 3 mth.
Scarborough	6.00	6.25	7.50	7.25	Retirement Bonds (2nd issue), 7.25 Money Care + free life ins.
Skipton	6.00	6.25	7.50	7.00-7.15	(1 mth.) 7.25 3 yrs.
Sussex County	6.15	6.40	8.15	6.90-7.90	all with wdl. option
Sussex Mutual	6.25	6.50	8.00	6.75-8.00	
Town and Country	6.00	6.25	7.50	7.50	3 yrs., 60 days' wdl. notice
				7.50	Imm. wdl. 28 days' interest loss
Wessex	6.25	7.30	—	—	
Woolwich	6.00	6.25	7.25	7.25	90 days (int. loss), 7.00 immed. wdl. 28 days' interest loss
Yorkshire formerly Huddersfield & Bradford and West Yorkshire	6.00	6.25	7.25	7.25	5 Star Bond min. £500, 2 mths.' not. with pen., 7.25 Golden key imm. wdl. 28 days' pen. interest

All these rates are after basic rate tax liability has been settled on behalf of the investor.

This table is published each Saturday. Societies wishing to be included should ring 01-248 8000 Ext. 4063 for further details.

Raybeck falls £0.76m into the red

A FURTHER deterioration in trading conditions in all areas of its business meant that Raybeck, retailer and manufacturer of ladies' and men's wear, fell sharply into the red in the first six months of the current year.

For the 27 weeks ended October 30 1982, the company incurred a pre-tax loss of £761,000, compared with a profit of £256,000 for the corresponding 26 weeks last year. Despite some improvement in trading activities since the end of the half year, there is no interim dividend.

The directors explain that in the light of the poor first-half results and the continuing uncertainty over the future of Bournes, they have given extremely careful consideration to the payment of an interim dividend.

They will consider the payment of a final when the full trading results for the year to April 30 1983 become available in early September. For the year 1981-1982, an interim of 1.131p was followed by a final of the same amount and pre-tax profits came to £507,000 (£1.52m).

The half yearly preference dividend due on March 1 1983 will be paid.

Sales for the 27 weeks amounted to £45.15m, as against £42.91m last time. There is again no tax for the period. Last year's interim dividend cost £415,000.

The process of reducing the size of the retailing area at Bournes announced last September, has been completed and they are trading on only the lower four floors. Discussions concerning the re-development of the Bournes' site are continuing.

It was announced last month that contracts have been exchanged for the sale of 14 shops trading as "Best Sellers" (12 leasehold and two freehold premises) to Harris Queensway, with the consideration of £2.3m to be paid in full on completion. Completion of the sale of the last unit is expected to take place by March 1983. This sale reflects a rationalisation of the ladies retail division of the company.

See Lex

AE chief confident on long-term

"I FEEL more confident than ever that long term our prospects are bright," says Mr John Collyear, chairman of the AE group, in his annual report to shareholders.

The recent reductions in interest rates and the greater competitiveness through the change in the value of sterling are helpful, but in the long run "it is the management and technical strength of a company which is the key," he claims.

Mr Collyear feels that 1983 will not show a recovery to satisfactory returns and could show no improvement. But the group's progress in the key objectives of productivity, exports, technology and liquidity will be sustained.

"Indeed it is possible that the more stringent the conditions the more our eventual competitive strength will be enhanced," the chairman asserts.

Capital expenditure on the latest production technology has been pushed up by 14 per cent to £15.5m, making over £46m invested in the last three years. The key issues remain a priority and Mr Collyear feels confident that funds needed to make further progress can continue to be provided.

In the year ended September 30 1982 the group suffered a setback in the second half and finished with a loss of £200,000, against a profit of £1m previously. Major problems were encountered in the South African distribution operations, but corrective action is now the top priority and substantial reserves have been made in the accounts.

At the end of September ordinary shareholders' funds were shown at £138.4m, compared with £143.4m the year before. Net current assets stood at £108.7m (£122.6m) while short-term bank loans and overdrafts appeared at £22.4m (£23.5m).

Meeting, Savoy Hotel, Strand, WC, February 3 at noon.

Asprey rises to £2.8m midway

FOLLOWING ON the chairman's statement in August that trading in the current year had lived up to expectations, pre-tax profits of Asprey and Co. have risen from £2.21m to £2.81m for the six months to September 30 1982, on a higher turnover of £13.71m, compared with £12.17m.

The directors say it is too early to give any indication as to the outcome for the full year, but current trading conditions are promising and they look to the future with confidence.

The interim dividend is effectively being increased from 5p to 6p net per 25p share. The final payment will be determined in the light of the results achieved in the full year and is likely to be recommended in August 1983, on publication of the annual report for the year to March 31 1983. Last year's final was equivalent to 9p after adjusting for the two-for-one scrip issue.

The tax charge for the half year increased from £870,000 to £1.19m. There was also an extraordinary credit of £61,000 (£181,000 debit) being the surplus on the sale of a subsidiary. Stated earnings per share, before extraordinary items, were ahead from 22.22p to 25.63p.

Unrealised foreign exchange gains, less losses, of £114,000 (£953,000) have been dealt with through reserves.

The group carries on business as a goldsmith, silversmith, jeweller, antique dealer and interior decorator.

● comment

Asprey continues to justify the the faith of its bankers and of Sears Holdings, the white knight which stepped in to head off an unwanted bid from Dunhill-Logida two years ago. Sears, which has close links as property advisor to Asprey, seems happy to sit on the 24 per cent stake in the jeweller's equity. The 27 per cent gain in Asprey's pre-tax profits in the first six months indicates a significant increase in the rate of growth helped by strong demand for precious stones other than diamonds, since the end of the last fiscal year in March 1982. A further rise in the dividend shows that the group feels no overriding need to hoard cash to back its expansion plans. However, Mr John Asprey, the chairman who controls the company with a 50 per cent plus stake, gave no forecast for the second half. A bull factor must be the likelihood of lower UK interest rates which would cut the cost of an expensive inventory. The second half will also bring the delayed opening in February of the New York shop. At 975p, the shares yield an historic 4.9 per cent.

Baker's Stores £210,000 lower after 53 weeks

SECOND HALF pre-tax profits at Baker's Household Stores (Leeds) fell from £440,000 to £282,000, and figures for the 53 weeks to October 2 1982 where also lower at £753,000 compared with £963,000. The final dividend is unchanged at 1p net for a same-again total of 1.65p.

Turnover of the company's self-service stores selling non-food merchandise, improved from £5.7m to £6.14m.

The directors say trading since the end of the financial year, up to Christmas, has shown an upturn compared with the same period last year, and they are hopeful that this pattern will continue.

The company continues to be in a strong financial position, and is well able to benefit from a sustained increase in trade and to take benefit from possible further expansion when suitable opportunities arise.

During the year, Baker's has purchased a further five freehold properties for approximately £300,000. The board is satisfied that these acquisitions will be most beneficial and will show a substantial increase in value over purchase price.

Together with acquisitions made this year, the directors are of the opinion that the present day value of the freehold and leasehold interests would show a surplus over book value in the region of £1.5m.

Tax charged for the period was lower at £286,000 compared with £382,000, and stated earnings per 10p share were down from 11.62p to 9.33p.

Receivers at Alker Shoes

Mr P. T. Masterson and Mr P. Ramsbottom of Peat, Marwick, Mitchell and Co have been appointed receivers in Alker Shoes, which operates a chain of shoe shops in Lancashire. The receivers are hoping to sell the business as a going concern.

The company has eight retail outlets and one wholesale outlet. It has an annual turnover of £2.6m and employs 40 people. Alker owns the freehold of properties in Preston and Widnes and has main leasehold premises in Wigan, Salford and Leigh.

Howard and Wyndham

No dividend will be paid this month by Howard and Wyndham on the 9 per cent convertible cumulative redeemable preferred shares 1999 and the 9 per cent special convertible cumulative redeemable preferred shares 1999.

Upsurge in new life business from GRE

A TWO-THIRDS increase in new premiums on its worldwide life and pensions business in 1982 from £74.8m to £125.3m is reported by Guardian Royal Exchange Assurance. New annual premiums rose 15 per cent from £42.5m to £48.8m, while single premiums, including managed fund business, more than doubled from £32.3m to £76.4m.

Business in the UK, which accounts for some 70 per cent of the total, showed that individual annual premium business advanced nearly 40 per cent from £12.4m to £17.2m and ordinary single premiums improved by nearly two-thirds from £15.7m to £25.2m.

Pensions business in the UK in contrast, showed a more mixed picture with new annual premiums declining nearly 20 per cent from £15.4m to £12.5m because of the effect of the recession on pensions business. The success of the group's managed pension fund operation resulted in single premiums jumping from £5.9m to £45.3m.

There were mixed results from the overseas business. Sales in New Zealand continued buoyant, with the flexible savings plan Saveguard being popular, and total annual premiums were up by one-third. Superannuation business in Australia expanded and overall annual premiums rose 10 per cent. Montreal Life, the group's North American life subsidiary, made a useful start in its new development in the U.S.

Good results from its UK life and pensions business are reported by Commercial Union Assurance Company. New annual premiums rose by one-fifth from £21.6m to £23.6m, with individual life and PHI premiums increasing two-thirds from £6.5m to £10.7m. Individual pensions remained static at £2.7m, while group pensions fell from £12.4m to £10.2m. Single premium business almost doubled from £4.8m to £9.5m.

The record growth in individual life business reflected the success of the group's new term contract and the introduction of differential premiums for non-smokers.

Worldwide, CU saw new annual premiums rise from £43.8m to £49.6m, the underlying growth rate allowing for fluctuations in exchange rate movements being 7 per cent. Single premiums, showing a 10 per cent rise in sterling terms from £55.1m to £60m, were in fact unchanged when exchange rate movements were excluded.

Royal Life, the life and pensions operation of the Royal Group saw annual premiums improve marginally in 1982 from £26.4m to £26.6m. Single premiums overall fell from £51.5m to £48.3m, but the 1981 results included a special bond issue of £20m. Otherwise single premiums in 1982 showed a 50 per cent increase.

The company had a successful start to the launch of its unit-linked operation which produced £11m of single premium and £1.2m annual premiums. The school fees operation continue to be successful and together with buoyant sales of immediate annuities, increase sales by one-third to £28m.

Royal Life had mixed results in the pensions field. Annual premiums in self-employed pensions improved from £1.7m to £1.9m, but single premiums slipped from £2.2m to £2m. Group and executive pensions sales fell, as expected, with annual premiums down from £12.5m to £10.4m and single premiums from £7.4m to £5.6m.

LCP £5.8m cash call to reduce borrowings

By Dominic Lawson

LCP Holdings, the industrial conglomerate, has launched a £5.8m cash call. The company is raising about £5.6m, after expenses, by way of a one-for-four rights issue, offering 12.6m new ordinary shares at a price of 46p each.

In giving its reasons for the issue, the company cites its major expansion into the U.S., with the phased acquisitions over the past four years of the Whitlock Corporation—a retail chain supplying automotive parts mainly to DIY customers.

The full cost of the Whitlock acquistion amounted to £15m, which had been funded entirely by debt, and the rights issue proceeds will be used to reduce this indebtedness.

The chairman of LCP, Mr David Rhead, said: "The Whitlock acquisition made a rights issue inevitable, but we wanted to wait until it was completed last November, so that shareholders could better judge the merits of the acquisition."

Mr Rhead added that "Whitlock is to increase selling space at a compound rate of 20 per cent per year, with commensurate increases in profits."

Mr Rhead conceded that "conditions remain difficult in the UK, and in our vehicle distribution division margins have been under intense pressure. The property division has been stable, and the operations including construction, distribution and property development have all shown small improvements."

The company stated yesterday that in the absence of unforeseen circumstances, it would recommend a final dividend of at least 1.8p net per share for the year to March 1983, on the increased capital.

The issue has been underwritten by J. Henry Schroder Wagg. Brokers to the issue are Rowe and Pitman. It is expected that dealings in the new shares will begin on January 25.

● comment

To LCP Holdings goes the honour of being first in the rights issue queue for 1983. However the announcement came as no surprise the shares adding 3p to close at 61p. In the wake of the Whitlock acquisition capital gearing had risen to a heady 90 per cent. After the proceeds of the rights issue—and on the by no means valid assumption that there are no disposals—year end gearing should be around 70 per cent. Still too high, says the chairman, who hopes that the figure will fall to no more than 50 per cent this time next year. The grand plan in fact seems to be to eliminate all short term debt and end up with a long term debenture of about £25m on the security of a property portfolio of £50m. Sounds ambitious, but LCP over the past seven years has shown its facility for consistent execution of long term planning, in its withdrawal from the W. Midlands and its methodical overseas expansion. LCP has been divesting itself of some of its disparate interests over the last year, and there are still a number of areas in which that process can be intensified. This year Whitlock, aided by the "mighty" dollar, could supply about 40 per cent of trading profits, and that is a proportion which could increase rapidly over the next few years, as the company fights to return to the level of profits it reached three years ago.

NO PROBE

The merger between Redland and Boston Industries Corporation is not to be referred to the Monopolies and Mergers Commission.

Grosvenor rights finances £1.5m purchase from GKN

BY DAVID DODWELL

Grosvenor Group, the recently reorganised electronics manufacturer, yesterday announced conditional agreement to purchase GKN Floform from the engineering company, Guest Keen and Nettlefolds for £1.5m.

The purchase will be financed by rights issue raising £2.08m. Shareholders are to be offered one new ordinary share of 25p for every five of 5p presently owned at 90p per share. Floform directors, who account for almost 26 per cent of existing shares, intend to vote in favour of the purchase.

Grosvenor Group managing director Mr Gordon Hazzard said that the purchase of this 180-employee company, manufacturing metal components in Welshpool, Mid Wales for the electronics, electrical and engineering industries, fitted clearly into the policy outlined in June to build up specialist manufacturing interests.

At that time, Grosvenor changed its name from Wellco Holdings, sold its main electrical wholesaling subsidiary Wellco Electric for £2.14m, and purchased A. M. Lock, which makes equipment to detect metals in food and drugs.

A spokesman for GKN said last night that the sale of Floform fits in with the company's overall policy to counter current difficulties by concentrating its activities on the mainstream supply of components to the automotive and engineering industries.

"This is a small company which doesn't quite fit into our mainstream activities," he said. "It will be better served by being part of a smaller company that particularly wants to develop it."

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Asprey	int.	6	Jan 28	5*	—	14*
Baker's Stores		1	—	1	1.65	1.65
Raybeck	int.	Nil	—	1.13	—	2.26

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock.

UDS completes property deal with Hambro Life

BY WILLIAM COCHRANE

UDS, the stores group subject to a £191m cash bid from Heron and an institutional consortium, has completed a property deal which, market sources estimate, would have involved between £10m and £12m gross.

The deal with Hambro Life Assurance involves the sale and leaseback of 15 John Collier shops, the outright disposal of two retail investment properties and a re-acquisition of the freehold of Alders of Bromley, UDS's recently rebuilt department store. The benefit to UDS in terms of cash is believed to be around £3m, indicating a substantial price for the Bromley freehold.

This transaction has resulted in the realisation of a surplus of approximately £3.75m over book value (based on the 1979 professional valuations), says UDS, and will benefit its annual profits by over £45,000 per annum.

Sir Robert Clark, newly appointed chairman of UDS, said last night that the deal had been cleared with the Takeover Panel. The contract had been entered into weeks ago, and on Wednesday, UDS had given notice to the Panel of a number of deals which were in train before Tuesday's bid from Bassishaw Investments, the Heron/institutional vehicle.

The deal, he said, indicated that John Collier "is not necessarily a business in which we want to stay at our present size. In department stores, we do."

In a separate transaction, UDS is completing its freehold ownership of Allders of Portsmouth in a £175,000 deal with Portsmouth City Council. After this, say the directors, the store should be worth over £2m more than its 1979 book value.

Sir Robert said that the deals demonstrate the group's active policy of rationalising its asset base. "However," he added later, "the revival in our retailing results is the key to our defence."

GREETINGS CARDS GROUP FORMED

Three Yorkshire companies involved in the design, manufacture and distribution of greetings cards have combined their activities to form Selective Paper Group, a new company with a turnover in excess of £12m.

Kavanagh Print, Selective Print and Selective Greetings Card Company operate from five modern factories with a total production and storage area of 250,000 sq ft.

Cope Allman continues talks on offer

Talks are continuing between Cope Allman International, the engineering, packaging and leisure concern and the group which made a bid approach in mid-December, Cope announced yesterday.

Cope did not name the interested party in its statement but said a further announcement would be made shortly. Earlier in the week, however, both Cope and Sharjah Group said that Sharjah and a consortium of UK investors had held discussions.

Cope also revealed yesterday that the sale for A$1.2m (£700,000) of its remaining Australian business engaged in the manufacture and servicing of coin-operated gaming machines, had been suspended. This followed the intervention of the Australian Trade Practices Commission on monopoly grounds.

In November, Cope said it expected the sale to be completed in December. The proposed purchasers have now withdrawn from the contract, and Cope is considering its future course of action for these loss-making activities.

CEDAR INVESTMENT

Resolutions for the unitisation of Cedar Investment Trust have been passed at the adjourned meeting of convertible loan stockholders and the adjourned AGM, say the directors.

Accordingly, Cedar has been put into voluntary liquidation and the scheme for unitisation became effective on January 6. Mr A. J. Barrett and Mr I. D. B. Bond, both chartered accountants of 128, Queen Victoria Street, London, have been appointed liquidators.

Preference shareholders will be repaid at par, together with an amount equal to all accrued dividends up to the date of repayment, on January 14, 1983. Debenture stockholders will be repaid at par, together with accrued interest up to the date of repayment, on January 7.

Ordinary shareholders (including former holders of convertible loan stock) of Cedar will receive units in one or more of the four authorised TR unit trusts and a terminal dividend of 1.63p per ordinary share to be paid on January 14. Dealings in units of the new funds will commence in the week beginning Monday, January 17.

Slow recovery but longer term brighter for Empire

AS HE prepares to start negotiations next week with Sears Holdings, Mr John Gratwick, the chairman of Empire Stores (Bradford) has written to shareholders outlining the trading prospects for the mail order group in the wake of the Monopolies Commission decision to block the bid from Great Universal Stores.

The results for the year which ends this month will, as usual, be published in April and will show that Empire has not been able to recover fully from the £2m first half loss. The next financial year will also be difficult, the chairman warns, particularly in the first six months "but we do believe that the action we have taken will lead to a positive recovery during the second half year, which will gather momentum in the following year."

Mr Gratwick explained that "we have been more selective in our recruitment of new agents as part of our drive to reduce the level of bad debts." Sales and profits would be affected short-term by this selectivity, but its benefits in reducing bad debts would quickly compensate. The prime need is for an increase in sales volume which, Mr Gratwick says, has begun to come through in the last few months.

S. PEARSON

The Resolutions to effect the reorganisation of certain debenture and loan stocks in subsidiaries of S. Pearson and Son, were duly passed at meetings.

The proposals to rationalise and simplify the group debt structure were announced on December 13, 1982.

The Council of The Stock Exchange has granted a listing for the new stocks and dealings will begin on January 10, 1983.

A. COHEN DISPOSAL

A. Cohen and Company has disposed of its remaining 24 per cent shareholding in Hulett Metals (pty). The sum involved will be announced as soon as available.

CPC BUYS ADPAC

CPC (United Kingdom) has acquired Adpac of Droitwich, a company deriving its main business from the production of portion controlled food products for the catering industry.

RESULTS AND ACCOUNTS IN BRIEF

J. H. FENNER (HOLDINGS) (power transmission engineer) — Results for year ended August 28 1982 reported November 30, with general observations on trading and view on prospects. Net current assets £37.44m (£30.65m). Shareholders' funds £50m (£50.3m). Decrease in liquid funds £7.2m (£4.44m). Meeting, Leeds, January 20 at 12.30 pm.

SPRING GROVE (service management and development)—Results for the year to October 1 1982 reported December 2. Shareholders' funds £16.96m (£10.69m). Fixed assets £13.68m (£8.21m), net premium on acquisitions £6.45m (nil). Current assets £17.15m (£12.58m), including garments, towels, linen and other stocks £10.68m (£7.77m). Current liabilities £15.71m (£9.21m), including bank overdraft and other short term loans £6.13m (£1.9m). Decrease in working capital £1.54m (£533,000). Meeting: Henley-on-Thames, January 28, noon.

RELIANT MOTOR (USM quoted motor September 30 1982 reported December 15. Shareholders' funds £1.44m (£1.11m); fixed assets £2.3m (£2.56m); current assets £3.23m (£3.3m); current liabilities £4.09m (£4.75m) including bank overdrafts £1.19m (£1.51m); increase in working capital £136,000 (£935,000 decrease); decrease in short term borrowing £424,000 (£287,000). Chairman says current year has started satisfactorily and 1981-82 profitability should be maintained. Meeting: Tamworth, January 28, noon.

WINTERBOTTOM ENERGY TRUST (investment trust)—Dividend 0.45p (same) not making 0.65p (same) for the year ended November 30 1982, payable March 6. Gross investment income for period £624,948 (£611,321). Net revenue before tax £366,210 (£351,336). Tax £190,429 (£156,842). Earnings per 5p share 0.64p (0.72p). Net asset value 56.1p (76.5p) after deducting prior charges at par.

WHESSOE (engineer)—Results for the year to September 25 1982 reported on December 17. Shareholders' funds £26.6m (£22.5m); fixed assets £16.11m (£14.25m); net current assets £9.2m (£8.25m); increase in working capital £2.38m (£3.62m). Meeting: London, SW, January 27 at noon.

SCOTTISH INVESTMENT TRUST—Results year ended October 31 1982 reported November 26 1982, with asset values. Nearly 25 per cent of assets in electronics and other technology companies. Start made in rebuilding dollar borrowings: most of new money borrowed out into U.S. bonds. Directors considering possibility of increasing gearing. If they do so and also invest in some of the more attractive opportunities with lower yields, it may be difficult to improve dividends over the next year or two, they stress. Meeting, Edinburgh, January 27 at 11 am.

J. A. DEVENISH (brewer)—Results for the year ended October 1 1982 reported December 10. Shareholders' funds £38.37m (£36.54m). Fixed assets £38.44m (£36.84m). Net current assets £158,000 (£805,000). Decrease in working capital £438,000 (£765,000 increase). At December 4 1982, Whitbread Investment Company held 26.32 per cent of the company's ordinary shares. Meeting: Weymouth, January 26 12.15 pm.

LEEDS GROUP (commission processing of textiles and selling yarn)—Results for the year to September 30 1982 reported on December 6. Shareholders' funds £8.3m (£5.57m); fixed assets £5.37m (£5.06m); net current assets £2.39m (£2.06m); increase in working capital £252,369 (£302,199). Meeting: Leeds, January 25 at noon.

NORTHERN FOODS—Results for the year to September 30 1982 reported December 15. Group shareholders' funds £193.9m (£138.76m). Total fixed assets £216.85m (£169.44m). Current assets £195.37m (£122.09m), including cash, bank and short term investments £43.25m (£8.04m). Current liabilities £138.58m (£94.49m), including bank overdrafts £26.2m (£10.31m) and current loan instalments £11.6m (£4.38m). Capital commitments: contracted £7.97m (£11.6m), not contracted £4.24m (£12.9m). Chairman looking for year of good progress in 1983 with continued growth in profitability. Meeting: Willerby, near Hull, January 28, 12.30 pm.

HIGHGATE OPTICAL AND INDUSTRIAL (distributor of optical and photographic equipment; high precision engineer)—Pre-tax loss for the six months to September 30 1982 £23,337 (profits £10,686); turnover £1.7m (£1.13m); tax credit £121,715 (debit £6,883); extraordinary charges £58,089 (credits £8,000). The directors say the figures reflect the loss from a bad debt in the first half. Anticipated that reserve of £150,000 made in 1981 accounts should be more than adequate to cover any losses or reduction in net assets in 1982.

BIRMINGHAM PALLETT GROUP (light engineer)—Sales for year to October 31 1982 £2.25m (£2.78m). Pre-tax loss £321,838 (£102,311). Tax credit £76,488 (£100,543). Extraordinary debit £165,219—closure costs of manufacturing unit at Birmingham Pallett Company (credit £29,880 profit on sale of property). Loss per 10p share 24.1p (0.2p) before extraordinary items. No dividend (same).

MANOR NATIONAL (motor sales transport, warehousing, insurance broking)—The board has decided, in view of the continuing difficult trading conditions, to suspend payment of the half-year's dividend on the 10½ per cent redeemable preference shares, due on January 1 1983. Sales of surplus properties in 1982 have improved liquidity and further sales in 1983 will also reduce borrowings substantially, say the directors.

RCC NORTH AMERICAN FUND—In view of small amount of income available, directors decided not to declare interim dividend for half-year ended January 5 1983.

CHEMRING (manufacturer of radar reflective products, electric cable accessories and protective clothing)—Results for the year to September 30 1982 reported on December 18. Shareholders' funds £2.46m (£2.06m); fixed assets £748,614 (£644,308); net current assets £2.04m (£1.54m). Decrease in net liquid funds £211,334 (£565,346). Meeting Portsmouth, February 2, at 2 pm.

DAVENPORTS BREWERY (HOLDINGS)—Results for the year to October 2 1982 reported on December 4. Shareholders' funds £19.89m (£19.12m); fixed assets £20.44m (£20.11m); net current liabilities £1.28m (£1.54m); increase in bank overdraft and cash £856,000 (£132,000). Chairman says that for third year in succession beer consumption in the UK is likely to show a further decline, but he believes that the company will continue to make steady progress. Meeting: Birmingham, January 27, at 12.15 pm.

D. C. THOMSON AND COMPANY (printer and publisher)—Dividend 30p (27.5p) for year to March 31 1982. Trading profit £6.94m (£7.05m); investment income £5.28m (£4.52m); income after tax £7.17m (£6.45m).

BANK RETURN

BANKING DEPARTMENT

	Wednesday Jan. 6 1985	Increase (+) or Decrease (—) for week
Liabilities	£	£
Capital	14,553,000	—
Public Deposits	52,909,039	— 56,368,256
Bankers Deposits	638,657,912	+ 20,976,904
Reserve and other Accounts	2,076,951,378	+ 27,142,586
	2,783,070,629	— 8,248,766
Assets		
Government Securities	602,140,544	+ 66,515,000
Advances & other Accounts	1,314,082,123	— 85,238,153
Premises Equipment & other Secs.	864,334,428	+ 19,317,685
Notes	2,382,016	— 8,828,591
Coin	131,518	— 14,707
	2,783,070,629	— 8,248,766

ISSUE DEPARTMENT

	£	£
Liabilities		
Notes Issued	11,325,000,000	— 700,000,000
In Circulation	11,322,617,984	— 691,171,409
In Banking Department	2,382,016	— 8,828,591
Assets		
Government Debt	11,015,100	—
Other Government Securities	3,369,769,553	— 79,254,527
Other Securities	7,944,215,347	— 620,745,473
	11,325,000,000	— 700,000,000

Results due next week

STOCKBROKERS will be paying more attention to the chairman's statement than to the anticipated sharp fall in pre-tax profits when Thorn EMI announces its interim results next Friday. Last year's first-half figure of £45.5m was inflated by several one-off factors, including a major hit from Kenny Rogers who has now departed for RCA. This year, with a U.S. record market hit by recession and the rival attractions of computer games, the music division is expected to turn round into loss in the six months to September. The boom in retail spending and fall in interest rates is forecast to have a major impact only on the second-half figures. The profits from video rentals will be cut down by continuing high investment—and the company statement will be scrutinised for hints as to what forecast Thorn is accepting for 1983 video demand. The engineering division's profits should be prevented from vanishing by defence electronics. Analysts are going for a pre-tax profit figure of between £18m and £28m and, assuming last year's second-half spate of write-offs does not recur, £90m to £103m for the year.

Wednesday's interim statement from Magnet and Southerns, the manufacturer of prepared joinery and similar products can be expected to bring news of higher profits for the six months to September 30, particularly in view of the disclosure at the annual meeting that turnover had risen by 14 per cent in the first five months. Hence the strength of the shares, which have gained 27 per cent since last July when the group reported for the year to March.

But the City has been harkening to glowing reports of demand for the group's wooden doors and windows from both the new house and replacement markets and, spurred on by optimistic trading news from J. Carr (Doncaster) and Meyer International, has upgraded forecasts for Magnet. Industry watchers now look for a recovery of around 40 per cent in profits this year with the first half likely to bring in £13m pre-tax, compared with £10.6m last time.

Sotheby Parke Bernet's results for the year to August are due on Monday — an unusually long gestation period. However, this time it is believed that Sothebys will also be revealing its autumn sales figures, and the statement generally will be subject to more than usual scrutiny, in the light of the prospect that Sothebys itself may come under the hammer. It has for some months been estimated that the company will show a pre-tax loss of about £4.5m, as against the previous year's £7m profit. Further losses below the line could come from the sweeping rationalisation as Sothebys seeks to stem the haemorrhaging caused by its heady expansion into a contracting market. But these costs could be to a large extent offset by property disposals. Few believe that General Felt Industries will mount a full bid, but the shares are still at a level that shows high hopes that there is another buyer in the auction room.

Strong equity markets, worldwide, and continuing buoyant unit trust sales auger well for the full year to September results of M and G Group due on Thursday. Although pre-tax profits were slightly behind at the half year stage, mainly for technical reasons, the full year's figures should show a useful improvement on last year's £3.85m to reach £4m. The group has sorted out the tax liabilities of the life assurance operations and though this operation is not contributing much as yet to the group figures, it is no longer a drain on profits. Shareholders can look forward to a 1p increase on the final to go with the 1p rise at the interim stage making 14.5p against 12.5p—a reflection of the management's confidence in the future rather than of current trading.

Other results due include full year figures from Ellis and Everard and H. Samuel on Monday, and those of Stakis on Tuesday. Also on Tuesday, Hogg Robinson will be reporting its interim results, while Greene King announces its half year results on Thursday. On Friday, Associated Newspapers Group reports on its full year performance, while Guinness Peat is due to announce its interim outturn. Muirhead's preliminary results are due on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Abbey Panels Investments	Friday	1.3	0.75	—
Associated Newspapers Group	Friday	4.5	5.9	4.5
Cleverhouse Investment Trust	Monday	2.25	4.3	2.25
Cosalt	Monday	—	2.33†	1.5
Dewhurst and Partner	Friday	—	0.15	0.15
Espley-Tyas Property Group	Monday	—	2.31‡	1.5
Evode Group	Thursday	0.539	1.309	0.593
Investors Capital Trust	Wednesday	1.5	1.65	1.5
London Scottish Finance Corporation	Monday	0.6	1.73	0.9
Lowe (Robert H.)	Thursday	0.665	2.6	0.665
M & G Group	Thursday	5.0	7.5	6.0
M & G Dual Trust	Wednesday	9.05	12.1	9.4
Muirhead	Thursday	1.0	2.0	2.0
Oakwood Group	Wednesday	2.0	4.5	2.0
Sotheby Parke Bernet Group	Monday	3.5	9.0	—
Stakis	Tuesday	0.45	1.16	0.5
INTERIM DIVIDENDS				
Black (Peter) Holdings	Friday	0.84	1.635	
Brown and Tawse	Monday	0.7	2.8	
Caparo Engineering Group	Monday	1.3	2.8	
Centrovincial Estates	Tuesday	2.0	2.0	
Dansa Investment Trust	Wednesday	0.8	2.4	
Ellis and Everard	Monday	2.27273	3.63636	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Fleming Technology Investment Trust	Wednesday	1.6	2.7	
Greene, King and Sons	Thursday	1.2	2.35	
GT Japan Investment Trust	Wednesday	1.0	4.0	
Hales Properties Group	Wednesday	1.0	2.33333	
Hogg Robinson Group	Tuesday	3.0	3.0	
Hollas Group	Wednesday	1.0	2.0	
Jones, Stroud (Holdings)	Thursday	2.0	3.2	
London Investment Trust	Thursday	0.35	0.525	
Magnet and Southerns	Wednesday	1.33333	2.0	
Ratners (Jewellers)	Wednesday	0.67	1.83	
Samuel (H.)	Monday	1.5	4.75	
Stead and Simpson	Tuesday	1.0	2.85	
Symonds Engineering	Thursday	0.2225	0.5825	
Thorn EMI	Friday	4.05	10.575	
Waddington (John)	Thursday	—	0.5	
INTERIM FIGURES				
Dennis (James H.)	Wednesday			
Guinness Peat Group	Friday			
Murray Northern Investment Trust	Monday			
Wiseall (Henry) and Son	Thursday			

* Dividends are shown net pence per share and adjusted for any intervening scrip issue. † For the 35 weeks to August 30 1981. ‡ For the period from February 20 1981 to September 30 1981.

مكبرة عن الأصل

SUMMARY OF THE WEEK'S COMPANY NEWS

Bids and deals

A consortium headed by Mr Gerald Ronson launched a 100p share cash bid for UDS Group, valuing the latter at £191m. The bid is being mounted through a newly-formed company called Bassishaw Investments whose ultimate shareholder is Heron International, the holding company of Mr Ronson's property and petrol station empire. Other shareholders in Bassishaw include pension funds of the National Coal Board, Post Office and British Rail. The offer is likely to be hotly contested, the chairman of UDS having described the offer as totally inadequate.

Anderson Strathclyde, the Scottish mining equipment manufacturer, announced a proposed £20m bid for up to 51 per cent of the National Mine Service Company of West Virginia. The bid, of $12.5 per share, is seen as an attempt to frustrate Charter Consolidated which is considering whether to renew its controversial bid for Anderson and has until January 18 to decide.

Highams, the Lancashire-based textile manufacturer, agreed a 75p per share bid worth £4.55m from Largs, a privately-owned Isle of Man investment company. Largs bought John Bright, another Lancashire textile concern, three years ago.

British Petroleum acquired the Spanish animal feeds group Nueva Asociacion para Nutricion y Tecnicas Alimenticia (NANTA) for £16m. Stockbrokers Kemp-Gee and Hoare Govett placed 5.6m new BP shares with institutions at 295p each to finance the acquisition.

Ruberoid, the building products group, made its first overseas acquisition with the purchase of a 79 per cent stake in Antwerps Teer and Asphaltbedrijf (ATAB) of Belgium for £2.9m.

Leeds-based Mount Charlotte Investments is buying three London hotels from Trusthouse Forte for £19m. The deal will be financed by a £13.6m rights issue and by a medium term bank loan. The hotels are the adjoining Park Court and Whites, the Bayswater Post House and the Kingsley.

Forward Technology Industries announced that it was in talks that may lead to an offer being made for the company. No further information about the identity of the potential bidder was given, but the announcement sparked sharp fluctuations in the FTI share price which jumped to 40p before dropping back to 27p.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Braby Leslie	86●	79	57	8.77	Anglo Nordic
Braid Group	58*	57	42	2.74	Lookers
Brit Aluminium	60*	59	43	28.02	Alcan Alum (UK)
Carringtn Viyella	9	9½	10½††	16.34	Vantona
Ciro	80*	103	75	1.77	Swarovski Intl
Dorada	43½	39	38	4.45	Keep Inv
Edin & Gen Ins	18	16	13	3.82	Mills & Allen Intl
Eva Industries	44§	33	24	2.33	Anglo-Indonesian
Gillett Bros	192	190	215	5.23	Jessel Toynbee
Green (R.)	93§ §§	116	81	11.34	Beazer (C. H.)
Highams	75*	72	63	4.55	Largs
Howard Tenens¶¶	68	63	64††	10.81	Espley-Tyas
Ibstock Johnsen	*102.5§§*	*88*	*80††*	*29.29*	*London Brick*
Lifeguard Assce	950*	950	407††	7.10	Mult Hlth & Life
Mixconcrete	210*	208	115	19.52	Pioneer Concrete
Rowan & Boden	60*	57	40	2.42	Firth (G. M.)
Southwest Cons	42	38	41	9.21	Burma Mines
UDS	100*	99	89	190.7	Bassishaw Invs

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ** Based on January 7 1983. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Unconditional. ● Loan stock alternative.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Crean (James)	June	1,720‡	(1,520)‡	9.7	(12.4)	8.25	(7.41)
Hickson & Welch	Sept	7,620	(6,280)	23.0	(16.0)	7.5	(7.5)
Pleasurama	Sept	9,810	(5,570)	34.1	(21.4)	7.5	(4.75)
Vectis Stone	Sept	576	(873)	2.3	(4.7)	1.8	(1.8)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Delmar Group	Sept	196	(—)†	—	(—)
Dixon (David)	Sept	110L	(101)	2.22	(2.22)
Electronic Rentals	Sept	6,160	(7,390)	1.17	(1.17)
Evans & Owen	Sept	85	(72)	—	(—)
Group Lotus	July	289L	(28)	—	(—)
Highgate & Job	Sept	63L	(129)L	—	(—)
Howden Group	Oct	3,560	(3,370)	1.46	(1.46)
NCN Resources	Sept	610	(393)	—	(—)
Stavert Zigomala	Sept	19	(16)	—	(—)
Stoddard Hldgs.	Sept	1,020L	(784)	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net except where otherwise stated. † No comparable figure. ‡ In I£. L Loss.

Scrip Issues

Pleasurama—One for one.

LONDON TRADED OPTIONS

January 7 Total Contracts 2,995 Calls 2,368 Puts 627

Option	Ex'cise price	Jan. Closing offer	Jan. Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity Close
BP (c)	260	54	6	62	2	—	—	310p
BP (c)	280	34	1	46	2	—	—	"
BP (c)	300	15	152	28	3	42	1	"
BP (c)	330	2	22	14	10	25	—	"
BP (c)	360	¾	—	6	—	11	12	"
BP (p)	280	1¼	25	8	—	—	—	"
BP (p)	300	5	164	20	4	30	2	"
CU (c)	120	20	58	25	102	25	5	139p
CU (c)	130	10	59	15	40	17	—	"
CU (c)	140	5	28	9	39	11	8	"
CU (p)	130	5	5	7	—	12	30	"
CU (p)	140	9	3	15	5	19	—	"
Cons. Gld (c)	420	102	8	110	—	117	—	517p
Cons. Gld (c)	460	64	2	75	—	85	—	"
Cons. Gld (c)	500	24	51	47	27	64	5	"
Cons. Gld. (p)	420	1½	2	6	—	13	—	"
Cons. Gld. (p)	460	4	—	13	5	27	—	"
Cons. Gld. (p)	500	15	—	30	2	38	—	"
Ctlds. (c)	70	8	3	12	—	14	—	77p
GEC (c)	187	38	61	—	—	—	—	216p
GEC (c)	197	22	21	34	2	—	—	"
GEC (c)	217	6	119	20	—	—	—	"
GEC (c)	220	—	—	—	—	35	1	"
GEC (c)	237	1	—	11	13	—	—	"
GEC (c)	260	½	—	5	8	14	—	"
GEC (p)	217	8	55	17	—	—	—	"
GEC (p)	260	46	—	50	3	67	—	"
Gr'd Met. (c)	280	64	50	67	50	71	—	343p
Gr'd Met. (c)	300	44	67	47	21	51	—	"
Gr'd Met. (c)	330	15	41	27	50	32	8	"
Gr'd Met. (c)	360	3	3	15	6	20	2	"
Gr'd Met. (p)	330	3	—	10	4	14	1	"
Gr'd Met. (p)	360	20	—	26	—	30	5	"
ICI (c)	300	62	2	65	12	74	—	358p
ICI (c)	330	34	—	38	7	46	1	"
ICI (c)	360	8	1	16	6	35	—	"
ICI (p)	360	8	—	22	1	28	—	"
Land Sec. (c)	240	49	10	55	—	—	—	288p
Land Sec. (c)	260	10	69	23	34	29	—	"
Land Sec. (p)	260	4	16	9	3	14	—	"
		February		May		August		
Barclays (c)	390	14	6	26	—	40	—	390p
Barclays (p)	390	15	10	25	—	52	—	"
Imperial (c)	90	36	5	35	—	—	—	121p
Imperial (c)	100	28	42	24	—	—	—	"
Imperial (c)	110	16	22	16	10	22	—	"
Imperial (p)	120	5½	40	10	6	14	26	"
Lasmo (c)	280	42	2	55	—	72	—	307p
Lasmo (c)	300	27	35	40	4	64	—	"
Lasmo (c)	330	13	2	27	—	36	—	"
Lasmo (c)	390	3	—	4	12	—	—	"
Lasmo (p)	300	16	—	23	20	37	—	"
Lonrho (c)	80	19	6	20	—	23	5	98p
Lonrho (c)	90	10½	55	12½	1	14½	4	"
Lonrho (c)	100	4	65	5½	56	8½	—	"
Lonrho (p)	100	6	5	11	—	13	—	"
P & O (p)	110	5	—	8	15	13	—	114p
P & O (c)	120	10	—	13	41	19	—	"
Racal (c)	600	15	2	35	1	60	—	597p
Racal (p)	550	9	—	24	11	38	—	"
Racal (p)	600	37	8	34	—	55	—	"
Racal (p)	650	60	8	67	—	—	—	"
RTZ (c)	420	102	1	112	—	115	—	517p
RTZ (c)	460	62	64	75	6	85	6	"
RTZ (c)	500	36	188	56	56	—	—	"
RTZ (p)	390	1	—	3	—	6	1	"
RTZ (p)	420	2	6	10	2	12	—	"
RTZ (p)	460	8	2	17	18	27	—	"
RTZ (p)	500	17	5	50	—	—	—	"
Vaal Rfs. (c)	80	36½	—	35½	3	33½	—	$115
Vaal Rfs. (c)	90	25½	4	27	25	30	—	"
Vaal Rfs. (c)	100	15½	3	20	—	24½	—	"
Vaal Rfs. (c)	110	10	20	15½	51	18	—	"
Vaal Rfs. (c)	120	4½	13	10	18	14½	2	"
Vaal Rfs. (p)	100	1½	10	5½	—	7½	—	"
Vaal Rfs. (p)	120	11½	—	15	1	17	—	"

C=Call P=Put

APPOINTMENTS

Hawker Siddeley Group changes

The following HAWKER SIDDELEY group changes have have been made. Mr G. Howell was appointed chairman of Hawker Siddeley Dynamics Engineering, Hawker Siddeley Brackett, Partridge Wilson and Co and High Duty Alloys Forgings. Mr T. W. B. Sallitt was made chairman of Hawker Siddeley Rail Projects. Mr E. Harris was appointed deputy chairman. Mr M. H. L. Lewis becomes chairman of Gloster Saro, Saro Products and of Kelvin Construction Company. Mr W. H. Allan was appointed chairman of Crompton Electricars. Mr D. W. Smith joined the board of High Duty Alloys Forgings as finance director. Mr C. M. Ryland was made a director of Hawker Siddeley Australia and of Hawker de Havilland Australia. Mr R. E. Fisher was appointed to the board of Fasco Industries Inc and Mr C. F. Kruger to the board of Fasco Controls Corporation. Both companies are based in the U.S. Mr H. Wilson was made director of engineering to the board of Dosco Overseas Engineering a subsidiary of Hawker Siddeley Canada Inc.

★

The PORT OF TYNE AUTHORITY has appointed Mr A. R. Fairley as managing director from January 16 following the retirement of Mr John Gillespie. Mr Fairley, who has served the authority for 10 years is presently commercial director and board member.

★

Mr P. H. Blagbrough and Mr C. J. Pendrill have been appointed to the board of MATHESON AND CO.

★

Mr Oliver Forder has been appointed a manager with the BRITISH LINEN BANK at its London office. He will be responsible for leasing activities transacted through Capital Leasing, a subsidiary of the bank which acts as principal, underwriter and adviser on all types of tax based leases.

★

Mr Ashley B. G. West has been promoted from second vice-president to vice-president with the London branch of CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY. Mr West, who joined the bank in 1980, is the financial controller of the London branch of Continental Bank and of Continental Illinois, the merchant banking subsidiary of Continental Illinois Corpn.

★

The following appointments have been made by SECURICOR GROUP: Mr C. C. Shirtcliffe to group financial controller and also a director of Securicor. Mr D. Winter, company secretary for Securicor has joined its board and will continue as financial director, Securicor Granley Systems. Mr D. O. Blanks, group secretary, has joined the boards of the subsidiaries, Bedwas Bodyworks, R. J. Brown, Chiswick Garage and London Hotels. Mr E. A. Hollis who will retire from certain executive duties, later in 1983, will continue as group deputy chairman.

★

Mr R. W. Thomason, general sales manager, has been appointed sales director. Mr A. H. D. Hagger, sales director, has been made marketing director. Mr W. R. Thomas, general works manager, is appointed production director.

Following reorganisation within the marine division of Ocean Transport and Trading, Liverpool, Mr David Sykes becomes managing director, ELDER DEMPSTER LINES, but will also continue as director, UK/West Africa trade. He succeeds Mr Patrick Toosey who will be leaving the company at the end of January.

★

Following the reorganisation of the moneybroking activities of the Traditional Group in London, Mr Richard Selby and Mr Anthony Haig-Thomas have been appointed to the board of TRADITION (LONDON BROKERS), principal operating company. Mr Selby will have special responsibility for foreign exchange operations and Mr Haig-Thomas for sterling operations.

★

Mr J. A. P. Cameron, an assistant general manager, international division (resident in London), for BANK OF SCOTLAND, has been appointed as assistant general manager, branch administration, West Area (resident in Glasgow), effective January 10.

★

Mr Patrick Austen will join the board of PRETTY POLLY, a subsidiary of Thomas Tilling, on April 1, when he will be appointed deputy managing director. It is intended that he should succeed Mr Brian McMeekin as managing director when he retires in August. Mr Austen joins Pretty Polly from the fibres division of Imperial Chemical Industries.

Fisheries Research chief

Mr Alan Preston, director of fisheries research in the Ministry of Agriculture, Fisheries and Food based at the Fisheries Laboratory, Lowestoft, has been appointed co-ordinator of FISHERIES RESEARCH and development for Great Britain. He succeeds Mr Basil Parrish, director of fisheries research in the Department of Agriculture and Fisheries for Scotland at the Marine Laboratory, Aberdeen, who has retired. The post of co-ordinator replaces that of controller. As co-ordinator Mr Preston will be responsible jointly to the fisheries secretaries of the Ministry of Agriculture and Fisheries for Scotland. These duties will be in addition to those of his directorship of fisheries research in the Ministry.

★

Mr Richard L. George has been appointed deputy managing director of NORTH SEA SUN OIL COMPANY, an operating unit of the Sun Exploration division of the Dallas-based Sun Exploration and Production Company. He will assist recently named managing director, Mr I. W. Gareth Hughes, in managing Sun's exploration activities in the UK and UK sector of the North Sea. He will be based in London.

★

Mr Ken Hough, managing director of ELLIS AND EVERARD's fine chemicals division, has been appointed chairman of the export division. Mr Peter Wood, the main board finance director has also joined the export board.

★

Mr William S. Morrison has been appointed chairman and Mr Ray Salter managing director of PLASCOAT INTERNATIONAL. Mr Morrison is managing director of ACI Europe (UK), parent company of Plascoat. Mr Salter was financial director of Plascoat.

★

Mr Tom Goldberg has joined the main board of the AMSTEEL GROUP. He is managing director of Graham Wood Structural, largest company in the Amsteel Group, and retains that position. Mr Wm Hayden has become finance director of Graham Wood Structural.

★

Mr T. J. Buckle, has been appointed managing director of CHLORIDE STANDBY SYSTEMS, a wholly-owned subsidiary of Chloride Group. He was previously managing director of the Hawker Siddeley subsidiary Crompton Parkinson Instruments.

★

BSP INTERNATIONAL FOUNDATIONS has appointed Mr Roger Elliott to the board as engineering director. He joined BSP in 1962 as a designer in the drawing office.

★

Mr K. R. Egerton has resigned as managing director of Commercial Union Properties (UK) to become a director of COUNTY AND DISTRICT PROPERTIES.

★

Mr J. G. T. Baxendale has resigned as a director of PENTLAND INDUSTRIES on his retirement but will continue with certain subsidiaries as a consultant. Mr F. A. Farrant, finance director, has resigned his temporary post as company secretary and Mr Richard Anthony Stevens has been appointed in his place.

★

DAVID DIXON GROUP has appointed Mr Keith Maurice Green as production director designate for the underwear division of its subsidiary, Tudsbury. He was general manager of one of the factories within the Meridian companies — a subsidiary of Courtaulds.

★

Mr Robin R. Saddler has been appointed financial director of MILES SMITH GROUP. Mr Donald W. Brown has been appointed a director of Miles Smith Reinsurance.

★

Mr Humphrey Watson, who was National Coal Board area director in the north east until his retirement, has been appointed a non-executive director of VICTOR PRODUCTS.

★

Mr Jan E. Liljeqvist, who is currently managing director of Uddeholm Svenska, Stockholm, has been appointed managing director of BARNETT'S, Dagenham. He will succeed Mr Norman Barnett who will formally retire at the end of April. Barnett's is owned, together with Pappersgruppen of Sweden and other companies, by Pegenova, who are jointly owned by AB Papyrus and Stora Kopparberg.

★

SIKORSKY AIRCRAFT has appointed Mr Columbus O. Iselin as vice president-European Business, to be based in London. Sikorsky Aircraft is part of United Technologies Corporation, Stratford, U.S. Mr Iselin is a former vice president-Europe for Rockwell International and vice president of Raytheon Overseas.

★

Mr A. P. Grech has been appointed director of BARTLETT NEWBRIDGE CREDIT.

★

Mr John McNair, Mr David Marks and Mr Colin Taylor have been appointed directors of SMITH BROS.

★

GIRARD BANK has promoted Mr Keith R. C. Brackley to deputy manager—business development at its London branch.

★

Mr R. Burwood-Taylor has been appointed to the boards of CLARKSON PUCKLE INTERNATIONAL and Clarkson Puckle Marine Holdings. He will be responsible for the oil and gas division.

★

Mr Kenneth Lazenby has joined J. B. SOUTER AND COMPANY as a director.

★

Mr Keith Greenwood, head of business development with TSB North East, has been appointed assistant general manager of TSB YORKSHIRE AND LINCOLN from January 21.

★

WESTERN MOTOR HOLDINGS has appointed Mr A. B. Ham as managing director of W. Mumford. He was managing director of Barlow Handling.

★

CHANDLER HARGREAVES WHITTALL AND COMPANY has appointed Mr A. W. R. Capel, assistant director, European reinsurance; Mr D. H. Shadbolt, assistant director, accounts department; and Mr K. Van Der Klugt, assistant director.

★

Mr Peter Soelson has been appointed special projects director of JCB CREDIT the finance company part of J. C. Bamford Excavators.

★

NATIONAL CARRIERS CONTRACT SERVICES, which has been set up as a separate organisation within the National Freight Consortium to specialise in contract hire and contract distribution, has appointed the following directors: Mr Mike Bain (personnel and manpower development director), Mr Don Smalley (operations director), Mr Mike Tarrant (sales director), Mr Max Tulk (engineering director) and Mr Gordon Wright (finance director). They are all based at head office in the Merton Centre, Bedford. The three regional directors are Mr Harry Batty (western region, based in Stroud), Mr Len Maybanks (eastern region, based in London) and Mr John Torevell (northern region, based in Warrington, Lancs). Mr Jim Cornwell is general manager of the dedicated distribution contract for Woolworth.

★

Mr D. H. Maitland has been appointed as a non-executive director of RELIANCE SECURITY SERVICES.

Mr Harry Fryer, to be managing director of Yarrow.

Mr Harry Fryer will be appointed managing director of YARROW in May succeeding Mr David Penny on his retirement. Mr Fryer joined the Yarrow group in 1981 as deputy managing director, having previously been a director of Lucas Electrical, the largest subsidiary company within the Lucas Group.

Mr Robert M. Maiden, Travellers Cheque Associates director.

Mr Robert M. Maiden, executive director of The Royal Bank of Scotland, has been appointed a director of TRAVELLERS CHEQUE ASSOCIATES. British-based sterling travellers cheque company owned jointly by Lloyds Bank, American Express and The Royal Bank of Scotland Group.

★

MOLEX INTERNATIONAL has appointed Mr Michael Avramovich as financial controller for Asian operations. He will be responsible for financial administration at factories and offices in Japan, Taiwan, Singapore, South Korea and Hong Kong. Mr Avramovich was director of finance for Molex Europe and its subsidiary companies. Mr Avramovich will be succeeded by Mr Neil Lefort, who will become European director of finance. Mr Lefort was director of budgeting at Molex International headquarters near Chicago, U.S.

★

Mr D. R. A. Johnson has been appointed to the board of NORMAN FRIZZELL LIFE AND PENSIONS, a subsidiary of the Frizzell Group.

★

SEAFORTH MARITIME has appointed Mr William Edgar to the new position of corporate development director. Mr Edgar, who has been a director of Seaforth Maritime and managing director of Seaforth Engineering for the past nine years, relinquishes the latter post to concentrate on his new position where he will be responsible for identifying profitable areas for growth, particularly in terms of the export of advanced offshore technology and hardware. Mr Edgar is succeeded as managing director of Seaforth Engineering by Mr Stanley J. Gregory. Mr Gregory was president of Babcock Contractors Inc based in Pittsburg.

★

Lord Forte, chairman of Trusthouse Forte, has become president of the WESTMINSTER CHAMBER OF COMMERCE. He succeeds Lord Craigton, who has served as president for 17 years.

★

At A. AND C. BLACK, Mr A. A. G. Black has retired from the board. Mr William Still has been appointed to the board. Mr Still became company secretary in 1972.

★

C. E. HEATH has made the following appointments: at C. E. Heath and Co (International), Mr J. Elliott and Mr J. R. Houlder have been appointed directors. Mr G. M. Wilson has been appointed a director and Mr M. C. Houston is an assistant director of C. E. Heath and Co (Latin America). Mr D. H. F. Parfett has become a director of C. E. Heath, Urquhart (Life and Pensions). Mr K. L. Penson and Mr G. M. Wilson have been made associate directors of C. E. Heath and Co (Reinsurance Broking). Mr M. C. Houston has been appointed an assistant director of C. E. Heath and Co (Marine).

★

The BRITISH CHEMICAL DAMPCOURSE ASSOCIATION has appointed Mr John Bricknell a director of Protim Services as its new chairman.

★

Mr Richard Adams, formerly an assistant director, international finance division at BARCLAYS BANK INTERNATIONAL'S head office in London has been appointed an international finance director. Mr Derrick Waple, assistant general manager, central advances department, has been seconded to ANGLO-YUGOSLAV (LDT) as managing director. Mr Noel Beadle, at present an international finance director at Barclays Bank International's head office, has been appointed an assistant general manager, central advances department.

★

Mr B. Asher, Mr K. Mason, Mr J. Herbert and Mr S Mitchell have been appointed managers of foreign currency brokers GUY BUTLER (INTERNATIONAL).

★

Mr Simon Field Westmacott has been appointed an assistant director of STANDARD CHARTERED MERCHANT BANK.

★

Following acquisition of the commercial catering equipment distribution business of IFES International Inc. of Miami, Florida, Change Wares has changed its name to BASTIAN INTERNATIONAL, to reflect the company's business as distributor of products of the Bastian International Holdings Group of the U.S. Mr Victor de Jong has been appointed group managing director and Mr James Keane group finance director. Other board members are Mr Daniel J. Sullivan, chairman of Bastian International Holdings Inc, the majority shareholder of Change Wares; Mr James L. Kropf, executive vice president of Bastian International Holdings Inc; and Mr Samuel Ofrichter, an accountant and vice chairman of Bastien Industries Inc. Mr H. P. Chaffe remains as executive chairman, but Mr Mark Geraghty and Mr Howard Hooper, both non-executive directors, resign from the Board.

Credit Suisse First Boson UK investment management company

CREDIT SUISSE FIRST BOSTON UK has formed CSFB Investment Management to assume the existing international investment management business of the Credit Suisse-First Boston Group's London merchant bank, Credit Suisse First Boston Limited. Dr Eric R. Gabus, deputy chairman of Credit Suisse First Boston Limited has been elected chairman of the new company. Dr Manfred J. Adami has been elected managing director of the new company and will also join the board of Credit Suisse First Boston Limited. Mr Richard Mitchell and Mr Robert J. Parker have been appointed investment directors and Mr Michael J. W. Daley investment manager of the new company. The following non-executive directors will also be joining the board: Mr James L. Freeman, director of research and managing director of the First Boston Corporation, Mr Robert L. Genillard, chairman of the board of management Thyssen-Bornemisza, Mr John M. Hennessy, president and chief executive officer Financiere Credit Suisse-First Boston Group, Mr. Alex Hoffmann, manager, Clariden Bank, Geneva, Dr William Wirth, director, Credit Suisse, Zurich and Dr Albert M. Wojnilower, economist and managing director the First Boston Corporation. Credit Suisse First Boston UK Limited is the holding company for the London-based subsidiaries of Financiere Credit Suisse-First Boston.

Blue chip posts for Sir Michael Palliser

B.A.T. INDUSTRIES has appointed Sir Michael Palliser as an external director. He was permanent under-secretary of state at the Foreign and Commonwealth Office and Head of the Diplomatic Service from 1975 until his retirement in April 1982.

Sir Michael has also been appointed a director of EAGLE STAR HOLDINGS and Eagle Star Insurance Company. Sir Alexander Ross has retired from the boards of these companies.

★

AFRO-WEST MINING AND EXPLORATION PTY has appointed Mr Ross Macleod as chairman and Mr Philip Dyer as director/financial adviser. Mr Macleod, who is London-based, is chairman and chief executive of Oil and Mining Services. Mr Dyer, also London-based, is chairman and chief executive of Financial Communications. The other members of the Afro-West board are Mr Malcolm Macleod, managing director and Mr Don Deleo, director, both based in Perth, Western Australia.

BASE LENDING RATES

A.B.N. Bank	10 %	■ Hambros Bank	10 %
Allied Irish Bank	10 %	Hargrave Secs. Ltd.	10½%
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armco Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	11 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10½%	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11 %
Bank Leumi (UK) plc	10 %	Midland Bank	10½%
Bank of Cyprus	10 %	■ Samuel Montagu	10 %
Bank Street Sec. Ltd.	10½%	■ Morgan Grenfell	10 %
Banque Belge Ltd.	10 %	National Westminster	10 %
Banque du Rhone	11 %	Norwich Gen. Tst.	10 %
Barclays Bank	10 %	P. S. Refson & Co.	10½%
Beneficial Trust Ltd.	10 %	Roxburghe Guarantee	10½%
Bremar Holdings Ltd.	11 %	Royal Trust Co. Canada	10%
Brit. Bank of Mid. East	10 %	Slavenburg's Bank	10 %
■ Brown Shipley	10½%	Standard Chartered	∥10 %
Canada Perm't Trust	10½%	Trade Dev. Bank	10 %
Castle Court Trust Ltd.	10½%	Trustee Savings Bank	10 %
Cavendish Gty Tst Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	10½%	Whiteaway Laidlaw	10½%
Citibank Savings	¶ 9 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10½%
C. E. Coates	11 %	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10 %		
Co-operative Bank	*10 %		
The Cyprus Popular Bk	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10 %		
Exeter Trust Ltd.	11½%		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	12½%		
Robert Fraser	11 %		
Grindlays Bank	‡10 %		
■ Guinness Mahon	10 %		

■ Members of the Accepting Houses Committee.

* 7-day deposits 6.5%. 1-month 5.75%. Short-term £8,000/12-months 7.5%-8.1%.

† 7-day deposits on sums of: under £10,000 6¾%. £10,000 up to £50,000 7¼%. £50,000 and over 8½%.

‡ Call deposits £1,000 and over 6½%.

∥ 21-day deposits over £1,000 7¼%.

§ Demand deposits 6¾%.

¶ Mortgage base rate.

LADBROKE INDEX

based on FT Index

613-618 (+2)

Tel: 01-493 5261

WORLD STOCK MARKETS

Advance continued on Wall St

PRICES CONTINUED their rally on Wall Street yesterday, buoyed by expectations that the Federal Reserve will soon cut the Discount rate.

The Dow Jones Industrial Average was up less than a point at 11.30 am, but an hour later it had climbed 10.30 to 1081.22.

At 1 pm, however, the Industrial Average partially eased to 1078.37, up 7.45 on the day and 31.83 on the week, while the NYSE All Common Index, at $84.12, rose 41 cents on the day and $3.09 on the week. Advances led declines by a nine-to-five majority in a volume of 99.15m shares against 83.1m at 1 pm Thursday.

Thursday the D-J Average soared to a record closing high of 1070.92 and analysts attributed the rally to expectations that the recession has bottomed out. One analyst said yesterday morning's news that the jobless rate rose to 10.8 per cent in December from a revised 10.7 per cent in November was a "non-event" for the Stock Market.

Enthusiasm was rekindled for stocks late yesterday morning when investors saw that the market was able to hold on to Thursday's gains.

Investors said the market was also helped by the low Federal Funds rate, charged on Overnight Loans between banks, which fell to 8¼ per cent from Thursday's average of 8.48 per cent.

The drop in the closely watched Fed Funds rate fed speculation that the Discount rate would be cut later yesterday. The Discount rate, charged on Fed loans to member banks, is currently at 8½ per cent and was last cut on December 13.

Basic Industry stocks continued to lead the market rally, a trend that started Thursday. Inco climbed $⅞ to $13⅝, Monsanto $3¼ to $84, Alcoa $1¼ to $33, Union Camp $3¼ to $68¾, U.S. Industries $1¼ to $12½ and Nucor $2¾ to $65⅞.

Video Game stocks, which until recently were Institutional favourites, continued the decline that started in early December. Warner Communications lost $⅞ to $32, Mattel $1⅛ to $14½ and Coleco $1½ to $39.

Retail issues lost ground following Thursday's report of poor December sales. Dayton Hudson slipped $2 to $50⅞, J. C. Penney $⅞ to $44½, Hart Schaffner Marx $1⅞ to $33¼ and Sears $¼ to $29½.

THE AMERICAN SE Market Value Index rose 4.65 to 363.62 in a volume of 10.31m (10.25m) shares.

Canada

Stocks continued to rise on heavy volume as Gold, Real Estate, Metals and Oil issues posted sharp gains.

The Toronto Composite Index was up 24.9 to 2,066.9 at mid-day.

Sulpetro advanced $1½ to $7—late Thursday it announced the completion of its refinancing.

Mitel declined $1⅞ to $33¾ after reporting nine-month per-share earnings of 58 (56) cents.

Tokyo

The Market Average gained 48.68 to close at a record 8,169.19, in the heaviest trading volume for 10 years at 950m shares (830m Thursday).

This was the third successive day the average has posted a record finish.

The sustained advance was triggered by the growing likelihood of a cut soon in the Official Japanese Discount rate from 5.5 per cent, and was supported by Wall Street's sharp upturn overnight.

Foreign purchases increased substantially and lent confidence to local investors, despite the yen's setback against the dollar.

Many Domestic Industry issues advanced sharply, but International populars eased on profit-taking in reaction to their high prices.

Housebuilder, Real Estate and Electric Power issues likely to benefit from lower interest rates were preferred, but Steels and Shipbuilders fell on profit-taking after Thursday's steep increases.

"The recent upturn came as a surprise to many Stock Market experts. The rises are faster than their predictions," Kunio Misaki, a senior analysts at Nikko Securities, said.

Hong Kong

Stocks closed firm at the day's highs amid late speculation over a local interest rates cut. Prime rate was last cut, to 10.5 per cent, on December 29.

The Hang Seng Index closed just below the 800 mark at 798.36, up 26.36. Turnover was more than doubled at HK$132.71m.

Prices rose moderately at the outset following the record high on Wall Street overnight and gained further in the afternoon on active trading, partly due to sharp gains in Tokyo.

Singapore

Prices advanced over a broad front in fairly active trading on increased buying interest.

The Straits Times Industrial Ordinary Index rose 3.68 to 725.04.

Hotels, Properties, Commodities and the Second Trading section also firmed.

Australia

Wall Street's overnight advance and demand from London combined to drive markets up strongly. Gains outnumbered declines by more than three to one.

The All Ordinaries Index rose 9.7 to 515.6, the All Resources Index 12.3 to 407.3 and the All Industrials 6.5 to 650.1.

Golds were mixed, despite London interest for Gold-Related Miners. CNG fell 20 cents to A$8.80, while GMK gained 10 cents to A$9.90, as did Poseidon to A$6.20.

Oil and Gas stocks firmed.

Transports and Retailers were mixed. Building Industry issues, Brewers, Foods and Sugar Millers firmed, but Coals eased.

Switzerland

Domestic share prices irregularly higher on a very large turnover.

While no new factors influenced the market, sentiment continues boosted by recent domestic interest rate cuts, dealers said. Market opinion here over U.S. economic prospects remains divided.

Swiss Bonds steadied around overnight closing levels, consolidating recent gains.

Banks were slightly lower but Financials were mostly firm. Insurances were narrowly mixed.

Dollar stocks closed around overnight New York levels in less active trading. Dutch Internationals were narrowly mixed, Germans mostly lower.

Amsterdam

Dutch stocks firm in heavy trading, especially for International issues Royal Dutch, up Fl 2.3 at 99.3, Philips, up Fl 0.8 at 29.9 and Akzo, up Fl 0.6 at 37.5.

Most issues trimmed gains later in the session as some profit-taking set in, but brokers said if the rumoured cut in the U.S. Discount rate came over the weekend they expected a very bullish market on Monday.

Rises outpaced losses by 133 to 43.

Heineken were boosted Fl 2.5 to 101.5 by U.S. buyers.

Paris

Firm in active trading after Finance Minister, Jacques Delors, Thursday initiated a half point cut in base rates.

In active Oils, Geophysique, Elf Aquitaine, Esso and Raffinage were each higher.

Portfolios and Chemicals were firm. In better Rubbers, Michelin put on Frs 38 to 716.

Electricals were also up and Cit-Alcatel rose Frs 21 to 860.

In Foods, Moet Hennessy gained Frs 9 to 828 on a one-for-eight Rights issue.

Germany

Leading shares lower after a session characterised by profit-taking following the recent strong gains, and also as nervousness set in over the outcome of the March 6 General Election in West Germany.

The Commerzbank Index slipped 5.4 on the day to 780.1, and following Wednesday's 31-year high of 777.6.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

DENMARK

HOLLAND (continued)

AUSTRALIA

JAPAN (Continued)

FRANCE

ITALY

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

AUSTRIA

SWITZERLAND

JAPAN

SOUTH AFRICA

BELGIUM/LUXEMBOURG

HOLLAND

Indices

NEW YORK ACTIVE STOCKS

Financial Rand US$0.77¼ (Discount of 17½%)

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling weak

Sterling continued to lose ground in currency markets yesterday, touching a new four-year low against the Swiss franc and Japanese yen and a three-year low in terms of the D-mark. After initial selling had abated, sterling was largely ignored as attention switched to funds flowing from the weaker EMS currencies through the dollar and into the Dutch guilder and D-mark. The Bank of England was probably active earlier in the day, but the pound managed a small recovery on its own towards the close of business, possibly aided by a little profit-taking. As one dealer put it, it seems fashionable to sell sterling at the moment and it is a brave man who moves against the trend.

Sterling's marginal upturn was also encouraged by increased speculation over an early cut in the U.S. discount rate and the usual pre-weekend rumours of an EMS re-alignment. The pound's trade weighted index fell from 82.9 to 82.5 a level held at all three of the day's calculation and its worst level since February 1979. Against the dollar it opened at a low of $1.5940 but improved to a best level of $1.6135 before closing at $1.6100-1.6110, a rise of 20 points. It fell against the D-mark however to DM 3.76 from DM 3.7750 and SwFr 3.1150 from SwFr 3.1525. Against the French franc it slipped to FFr 10.67 from FFr 10.7175 and Y368.75 compared with Y369.25.

The dollar lost ground in the afternoon after a slightly firmer start mainly on continued rumours of a cut in the U.S. discount rate. Against the D-mark it fell to DM 2.3350 from DM 2.3470, its lowest level since May last year and SwFr 1.9345 from SwFr 1.9595. It was also down against the Japanese yen at Y229.0 from Y229.60 and FFr6.6275 compared with FFr 6.6625. Its index fell to 116.9 from 117.1.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU January 7	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9704	45.1686	+0.44	+1.65	±1.5501
Danish Krone ...	8.23400	8.12115	−1.37	−0.16	±1.6430
German D-Mark	2.33379	2.29366	−1.72	−0.51	±1.0888
French Franc ...	6.61387	6.50376	−1.66	−0.45	±1.3640
Dutch Guilder ...	2.57971	2.53358	−1.79	−0.58	±1.5004
Irish Punt	0.691011	0.690653	−0.05	+1.16	±1.6691
Italian Lira	1350.27	1322.98	−2.02	−1.39	±4.1268

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

Jan 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5940-1.6135	1.6100-1.6110	0.24-0.19c pm	1.60	0.68-0.63 pm	1.63
Canada	1.9600-1.9765	1.9735-1.9755	0.12-0.02c pm	0.42	0.40-0.30 pm	0.71
Nethlnd.	4.13½-4.18¼	4.14¾-4.15¾	2¼-1¾c pm	5.78	6-5½ pm	5.54
Belgium	73.90-74.50	74.15-74.25	20-30c dis	−4.04	62-82 dis	−3.89
Denmark	13.25-13.38	13.30-13.31	9½-11½ore dis	−9.47	27¾-30 dis	−8.68
Ireland	1.1295-1.1380	1.1335-1.1345	0.52-0.63p dis	−6.08	1.14-1.35dis	−4.39
W. Ger.	3.74-3.78½	3.75½-3.76½	1⅞-1⅝pf pm	5.19	4⅞-4⅝ pm	4.92
Portugal	140.00-147.00	144.75-146.75	135-460c dis	−24.49	415-1380dis	−24.63

THE DOLLAR SPOT AND FORWARD

Jan 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5940-1.6135	1.6100-1.6110	0.24-0.19c pm	1.60	0.68-0.63 pm	1.63
Ireland†	1.4080-1.4225	1.4210-1.4225	0.92-0.82c pm	7.38	2.20-2.05 pm	6.01
Canada	1.2255-1.2315	1.2255-1.2265	0.12-0.15c dis	−1.32	0.29-0.32dis	−0.98
Nethlnd.	2.5750-2.5800	2.5790-2.5810	0.90-0.80c pm	3.94	2.61-2.51 pm	3.96
Belgium	46.06-46.31	46.06-46.06	21-25c dis	−5.96	60-65 dis	−5.42
Denmark	8.2600-8.3075	8.2700-8.2800	4½-5½ore dis	−7.24	14½-15½ dis	−7.12
W. Ger.	2.3340-2.3620	2.3345-2.3365	0.70-0.65pf pm	3.47	2.00-1.96 pm	3.38
Portugal	90.00-93.00	91.00-92.50	125-325c dis	−29.43	325-925dis	−27.25

MONEY MARKETS

Further shortage

UK clearing bank base lending rate 10-10½ per cent (since November 29 and 30)

Day to day credit was in short supply in the London money market yesterday. The Bank of England gave an initial forecast of £750m which was later revised to around £800m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills −£389m, Exchequer transactions −£190m and a rise in the note circulation of £160m.

The Bank gave assistance in the morning of £696m comprising purchases of £14m of eligible bank bills in band 1 (up to 14 days) and in band 2 (15-33 days) £1m of Treasury bills and £152m of eligible bank bills. In band 3 (34-64 days) it bought £2m of Treasury bills and £36m of eligible bank bills and in band 4 (64-91 days) £4m of local authority bills and £303m of eligible bank bills (64-84 days) all at 10 per cent. It also arranged sale and repurchase agreements on £184m of bills at 10-10⅛ per cent, unwinding on January 26. Further help was given in the afternoon of £27m comprising £12m of eligible bank bills in band 1 and £10m in band 3 all at 10 per cent and additional sale and repurchase agreements on £5m of bills at 10 per cent, unwinding on January 26.

Interest rates continued to edge firmer as sterling lost ground in the foreign exchange market. Current uncertainty was highlighted by the virtually flat yield curve from one-month onwards. Weekend money in the interbank market touched a high of 10½ per cent before easing to 6 per cent.

LONDON MONEY RATES

Jan. 7 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ◆	Eligible Bank Bills ◆	Fine Trade Bills ◆
Overnight........	—	6-10⅝	—	—	—	10-10¾	9¾-10¼	—	—	—
2 days notice...	—	—	10⅝	—	—	—	—	—	—	—
7 days or........	—	—	—	—	—	10¾	—	—	—	—
7 days notice...	—	10¼-10½	10⅜-10⅛	—	—	10⅞	10-10¼	—	—	—
One month......	10⅝-10⁹⁄₁₆	10½-10⁷⁄₁₆	10½-10⅝	11⅛-11	10⅝	10⅞	10-10¼	10¹⁄₁₆	10⅛	10¾
Two months......	10⅝-10⁹⁄₁₆	10⅝-10⁹⁄₁₆	10⅞-10½	11⅛-10¾	10⅝	10⅞	10	10¹⁄₁₆	10⅛	10¾
Three months.	10⁹⁄₁₆-10⁷⁄₁₆	10⅝-10¾	10½-10⅝	11-10⅝	10⅝	—	9⅞-10	9¹⁵⁄₁₆-10	10⅛-10⅛	10⅝
Six months......	10⁹⁄₁₆-10⁷⁄₁₆	10⅝-10¾	10⅜-10½	10¼-10	10⅝	—	—	—	10-10⅛	10⁵⁄₁₆
Nine months...	10⁵⁄₁₆-10⅜	10½-10¾	—	10¾-10⅜	10⅝	—	—	—	—	—
One year........	10⁷⁄₁₆-10⅜	10⅛-10¾	10½	10⅝-10¼	10⅝	—	—	—	—	—
Two years.......	—	—	10¾-11	—	—	—	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 1983 (inclusive): 10.823 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11-11¼ per cent; four years 11-11¼ per cent; five years 11¼-11½ per cent. ◆Bank bill rates in table are buying rates for prime paper. Buying rate for four-month bank bills 15-15¹⁄₁₆ per cent; four months trade bills 10¾ per cent.

Approximate selling rate for one month Treasury bills 9¹⁵⁄₁₆-10 per cent; two months 9¹⁵⁄₁₆-10 per cent and three months 9⅞ per cent. Approximate selling rate for one-month bank bills 10¹⁄₁₆ per cent; two months 10-10¹⁄₁₆ per cent and three months 10-10¹⁄₃₂ per cent; trade bills 10½ per cent; two months 10½ per cent and three months 10²³⁄₃₂ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 10½ per cent from January 1 1983. London and Scottish Clearing Bank Rates for lending 10-10½ per cent. London Deposit Rates for sums at seven days' notice 6¾-7 per cent.

Treasury Bills: Average tender rates of discount 9.9318 per cent. Certificates of Tax Deposit (Series 5). Deposits of £100,000 and over held under one month 10½ per cent; one-three-month 10½ per cent; three-12-month 10½ per cent. Under £100,000 10¼ per cent from December 31. Deposits held under Series 3-5 10½ per cent. The rate for all deposits withdrawn for cash 8 per cent.

OTHER CURRENCIES

Jan. 7	£	$		£ Note Rates
Argentina Peso...	79,316-70,556	49,560-49,010	Austria..........	80.30-20.60
Australia Dollar...	1.6285-1.6305	1.0105-1.0110	Belgium..........	77.30-78.00
Brazil Cruzeiro...	410.08-411.09	250.98-257.20	Denmark..........	15.50-15.45
Finland Markka...	8.4485-8.4670	5.2550-5.2670	France..........	10.61-10.71
Greek Drachma...	111,260-114,760	70.85-70.95	Germany..........	5.74½-5.78½
Hong Kong Dollar	10.43-10.45	6.5050-6.5125	Italy..........	2150-2300
Iran Rial..........	134.40*	82.50*	Japan..........	571-375
Kuwait Dinar (KD)	0.46255-0.46335	0.2883-0.2885	Netherlands..........	4.15½-4.17½
Luxembourg Fr...	74.16-74.25	46.06-46.08	Norway..........	11.15-11.27
Malaysia Dollar...	3.6650-3.6750	2.2865-2.2895	Portugal..........	140-170
New Zealand Dlr...	2.1890-2.1940	1.3585-1.3805	Spain..........	195¾-208
Saudi Arab. Riyal	5.5175-5.5255	3.4390-3.4405	Sweden..........	11.55-11.07
Singapore Dollar	3.3375-3.3475	2.0820-2.0850	Switzerland..........	5.11-3.14
Sth. African Rand	1.7185-1.7100	1.0670-1.0075	United States..........	1.50-1.61
U.A.E. Dirham...	5.8915-5.9005	3.6780-3.6740	Yugoslavia..........	120-125½

*Selling rates.

INTEREST RATES

EURO-CURRENCY INTEREST RATES (Market closing rates)

Jan. 7	Short term	7 days notice	Month	Three Months	Six months	One Year
U.S. Dollar....	8⅝-8⅞	8¾-0	8¾-0	8⅞-0⅛	8⅞-0⅛	0⅛-0⅜
Can. Dollar...	9-10	10-11	9⅞-10⅛	8⅝-8⅞	0⅝-0⅞	9¾-10
D. Guilder....	5⅛-5¼	5⅛-5¼	5⅛-5⅜	4⅞-0⅛	4⅞-5⅛	6-5⅛
S. Franc.......	1-1¼	1-1¼	8⅛-8⅜	2⅞-5	5¼-3⅜	3⅜-3⅝
Deutschm'rk	6½-5⅝	6⅝-5⅝	5⅝-5⅞	5⅝-5⅞	5⅝-5⅞	5⅝-5⅞
Fr'nch Franc	12½-13½	16-18	10-80½	20½-21½	20-21	18-19
Italian Lira...	16-10	22-25	22-24⅝	23¾-24¼	23-23⅞	0⅜-23¾
Belg. Franc...						
Conv..........	15-15	15-10	14-10	14-15	15⅛-14⅛	18-10
Fin............	12½-12⅝	18½-12⅝	18½-18⅝	12½-18⅝	10½-12⅝	10½-12⅝
Yen..........	0⅞ 0⅝	6⅝-6⅛	0⅝-6⅛	8⅝-6½	0⅝-6⅛	0⅛-6⅝
D. Krone......	18-18½	17⅞-18⅝	18⅛-19⅝	19¼-10¾	18¼-18¾	17½-18
Asia $ (Sing.)	2⅞-0	8⅞-8	8⅞-0	8⅞-0	2⅞-9⅛	0⅞-9⅞

FT LONDON INTERBANK FIXING

(11.00 a.m. JANUARY 7)

5 months U.S. dollars		6 months U.S. dollars	
bid 8 7/8	offer 8	bid 8 15/16	offer 0 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

REVIEW OF THE WEEK

Copper climbs above £1,000 a tonne

BY OUR COMMODITIES STAFF

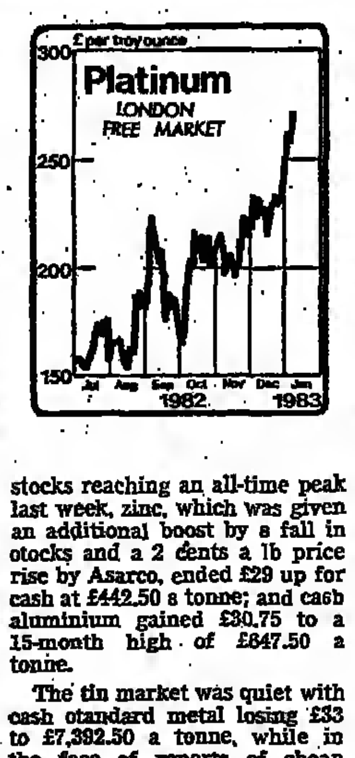
BUYERS OUTNUMBERED sellers on the London metal markets this week as copper, platinum and aluminium prices reached long-time highs and most other metals made substantial gains.

The copper market quickly shrugged off the announcement of a 13th successive weekly rise in London Metal Exchange weekly stocks, which took the total to a 3½-year high. Encouraged by a strong New York market, itself influenced by better news on U.S. housing starts, cash high grade metal was pushed by speculative buying to the highest level for 16 months.

Yesterday news that Southern Peru Copper Corporation had halted production at its Toquepala and El Cuajone mines and its Ilo smelter helped to lift the three months position through the £1,000 a tonne psychological barrier while cash high grade metal ended £57.25 up on the week at £982.50 a tonne.

Dealers said the copper market borrowed some of its strength from the platinum and palladium markets, which also rose sharply. These metals have recently become more popular with investors, who reason that their industrial base gives them the potential to outperform gold in the event of a real economic upturn arriving this year. In particular many are looking for platinum to re-establish its traditional price premium over gold. On the London free market platinum ended the week £33.50 up at £271.70 a troy ounce. This is equivalent to $436.50, still $29 below the gold price.

The rises in copper and platinum also induced strong performances in lead, zinc and aluminium. Cash lead ended the week £18.25 higher at £306.50 a tonne in spite of LME



stocks reaching an all-time peak last week, zinc, which was given an additional boost by a fall in stocks and a 2 cents a lb price rise by Asarco, ended £29 up for cash at £442.50 a tonne; and cash aluminium gained £30.75 to a 15-month high of £647.50 a tonne.

The tin market was quiet with cash standard metal losing £33 to £7,392.50 a tonne, while in the face of reports of cheap producer offers, cash nickel ended £67.50 down at £2,265 a tonne.

The sugar market remained depressed with the London daily raws price finishing £5 lower on the week at £96 a tonne. The downward trend was encouraged by a series of "bearish" supply/demand forecasts, the most significant of which was the raising of the 1982-83 world output estimate by 1.11m tonnes to 98.87m by F. O. Licht, the West German statistical agency. London merchants Gill and Duffus raised the 1982-83 supply surplus estimate to 4.7m tonnes from 4.5m in its previous report.

In contrast cocoa prices were firmer with the May position gaining £32 to £1,154 a tonne. Dealers said this was largely due to reports that Ivory Coast cocoa beans had been oversold as a result of bad weather hitting crop prospects and smuggling of cocoa beans from neighbouring Ghana being reduced. Yesterday's £14 rise was thought to have been held back by profit-taking and producer offerings attracted by the higher market.

Trading on the London International Commodity exchange declined to 3.53m lots in 1982 from 3.79m in 1981, the International Commodities Clearing House said yesterday. Robusta coffee was the most active market with 976,373 lots traded followed by sugar with 912,984.

BASE METALS

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash........	960.5-1	+8.5	982-3	+28
3 months	987-.5	+8	1009.5	+22.5

INDICES

FINANCIAL TIMES

Jan. 6	Jan. 5	M'th ago	Y'ar ago
242.67	240.10	235.10	849.36

(Base: July 1 1952 = 100)

REUTERS

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −†
Spot........			2000-70	+50
3 months			2085-30	+50

* Cents per pound. ‡ $M per kilo.

129.55 (130.77): 15-day average 130.57 (130.74).

GRAINS

Mnth.	WHEAT Yesterd'ys close	+ or −	BARLEY Yest'rd'ys close	+ or −
Jan...	119.85	+0.15	113.70	+0.20
Mar...	121.25	+0.15	114.00	+0.20
May...	123.10	+0.20	117.05	+0.10
July...	185.10	+0.10	—	—

LONDON OIL SPOT PRICES

	Latest	+ or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light........	30.55	+0.10
Iranian Light........	29.00-29.70	+0.10
Arabian Heavy........	28.00-28.50	—
North Sea (Forties)..	30.80-30.90	+0.05
African (Bonny Lt'ht)	31.75-32.00	—
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline...	295-301	−0.5
Gas oil........	277-209	+1.0
Heavy fuel oil........	165-169	—

GOLD MARKETS

Gold rose $11¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $465-466. The metal opened at $453¼-454¼ and rose steadily during the day to a high of $467-468. Activity in the New York futures exchange on dollar weakness and renewed speculation over an imminent cut in the U.S. discount rate delayed the London afternoon fixing until nearly 4.30 pm and, with the $460 level now broken, the market continued to show a bullish sentiment.

Jan. 7	Gold Bullion (fine ounce)	
Close........	$465-466	(£288¾-289¼)
Opening........	$453¼-454¼	(£284-284½)
Morning fixing...	$454	(£283.561)
Afternoon fixing.	$466	(£286.531)

AMERICAN MARKETS

NEW YORK, January 7.

Gold prices rallied sharply on fears of an international banking liquidity crisis as well as on expectations of a further discount rate cut. The trade assumed the Federal Reserve telegraphed its next move with a lower Fed fund rate and the draining of bank reserves. Silver followed suit with short-covering and heavy technical buying. Cotton prices were helped by sympathetic buying and by expectations of a radical payment-in-kind incentive to reduce this year's planted acreage. Coffee was slightly lower on trade forecasts that full shipments against higher export quotes will provide ample supplies to satisfy going demand, reported Heinold.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
March	1636	1675	1634	1664
May	1674	1700	1667	1693
July	1696	1723	1695	1723
Sept	1725	1750	1725	1753
Dec	1770	1785	1760	1798
March	1800	1790	1790	1825

COFFEE "C" 37,000 lb, cents/lb

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
March	6.37	6.56	6.36	6.50
May	6.73	8.90	6.72	6.84
July	7.03	7.20	7.03	7.13
Sept	7.34	7.49	7.33	7.47
Oct	7.58	7.74	7.57	7.70
March	6.63	8.78	8.70	8.78
May	8.92	9.11	8.08	8.08

CORPORATION & COUNTY

London County 2½pc £22●. 5pc 1980-83 £98⅝ ½
Greater London Council 8¾pc 1989-92 £75½
Aberdeen Corp 3pc 1885-85 £84¼ (5/1)
Barnet Corp 7¼pc 1982-84 £94 (31/12). 12¼pc 1987 £102⅛ (4/1)
Birmingham Corp 3pc £22 (24/12). 3½pc £28½
Birmingham District Council 11½pc 2012 £15 ⅛ ¼ ⅜ 6. 13pc 1983 £100½ (5/1)
Bristol (City of) 13pc 1985 £192½
Bristol Corp 3½pcDb £27
Glasgow Corp 3½pc £27
Grampian Regional Council 10¾pc 1985 £97¼
Greenwich (London Borough of) 11¼pc 1888 £98¼
Hertfordshire County Council 5½pc 1982-1984 £91 ½ ¼ (5/1)
Huntingdon & Pet County Council 9½pc 1981-85 £99 (31/12)
Islington Corp 10pc 1982-83 £99½ (5/1). 12¼pc 1983-84 £101 (31/12). 12.85pc 2007 £104 (5/1). 12½pc 1888-1997 £102½. 14pc 1985-88 £105½
Kensington & Chelsea (Royal Borough) 11¼pc 1985-87 £99⅞ (31/12)
Kirklees Metropolitan Council 11.8pc 2931 £95 ⅛
Leeds (City of) 13½pc 2008 £112½ (5/1)
Liverpool (City of) 13pc 1985 £102¾ (5/1)
Manchester (City of) 11.5pc 2007 £85¼. 11.5pc 2007 £20
Manchester Corp 3pc £28●. 4pc £28●
Newcastle-Upon-Tyne (City of) 11¼pc 2017 £92⅛ ¾
Newcastle-Upon-Tyne Corp 9¼pc 1981-83 £98¼ (8/1)
Northampton Borough Council 1983 £100⅛ (29/12)
Nottingham Corp 2pc £22 (24/12)
Paisley Corp 9¼pc 1982-84 £97 (20/12)
St Helens (Metropolitan Borough of) 11¼pc 1985 £98⅛ (3/1)
Salford Corp 5½pc 1988-88 £79½ (5/1)
Sandwell (Metropolitan Borough of) 13pc 1985 £102⅛ (5/1)
South Tyneside (Met Borough of) 12¼pc 1988 £101½
Southend-on-Sea Borough Council 12pc 1987 £101 (5/1)
Southwark Corp 8¼pc 1983-88 £87 (5/1). 11½pc 1984-85 £98⅝. 12½pc 1987 £102½ (5/1)
Stockport (Metropolitan Borough of) 12¼pc 1983 £101¼ (5/1)
Strathclyde Regional Council 1983 £100¼ (30/12)
Swansea (City of) 13½pc 2008 (£111¼)
Swansea Corp 3½pc £26½ (30/12)
Tameside (Metropolitan Borough of) 10¼pc 1984-85 £97½ ¼ (5/1)
Tyne & Wear County Council 12pc 1986 £101¼ (31/12)
West Hertfordshire Main Drain Auth 8¼pc 1981-88 £98⅞

UK PUBLIC BOARDS

Agricultural Mortgage Corp 8½pcDb 1993-95 £61½. 6pcDb 1982-87 £76¾ (24/12). 8¼pcDb 1992-94 £83⅝ (30/12). 8¾pcDb 1985-90 £72 (5/1). 7¼pcDb 1981-84 £93½●. 7¼pcDb 1991-93 £74½ 5½ 8 (5/1). 9¼pcDb 1980-85 £94¼ (5/1). 9½pcDb 1981-85 £99½. 9½pcDb 1953-88 £95. 8¼pcDb 1985-87 £92. 10¼pcDb 1992-95 £90 (5/1). 14¼pcDb 1984 £102¼
Commonwealth Development Finance Co 7¼pcDb 1984-88 £74½ (24/12)
Finance for Industry 14pcLn 1883 £102½ (24/12)
Metropolitan Water 3pc 1983-2003 £33½. East London Water Works 3pcDb £29 (30/12). Lambeth Water Works 3pcDb £28 9 (30/12). New River 3pcDb £28½ (4/1). Southwark & Vauxhall Water 3pcDb £28 (30/12)
North Devon Water Board 4pc 1998 £33
Northern Ireland Electricity 8½pc 1981-83 £99⅛ (5/1). 7½pc 1983-85 £92 (30/12)
Port of London Authority 3pc 1929-99 £27½ (30/12). 3½pc 1949-99 £29 (29/12). 8½pc 1987-90 £49 (5/1)
Scottish Agric Sec Corp 5½pcDb 1986-88 £78½ (5/1). 7¼pcDb 1990-92 £74½ (29/12). 10¼pcDb 1989-91 £93¼ (30/12)

COMMONWEALTH GOVT.

East African High Commission 5½pc 1977-83 £97½ (5/1). 5¾pc 1977-82 £97½ (5/1)
Jamaica 8¼pc 1981-83 £99 ¼ (3/1)
New Zealand 3½pc 1081-84 £90⅞
South Australian 2pc £20½ 1
Southern Rhodesia 4½pc 1987-92 £55 3 (30/12)

FOREIGN STOCKS
(coupons payable London)

China (Rep of) 4½pc Gold Bds 1898 (Germ Iss) Orn Bds £6 ¼ (30/12). 5pc Gold Bds 1925 Orn Bds ($100) 68 (30/12). 5pc Reorg Gold Ln 1913 (German Iss) £6 ⅛ (30/12). 5pc Huk Rail S.F Gol Ln 1911 Lon. Par. Ny 612 ½ (20/12). Imp Chin Rly (Shan-Nan) 5pc Stg Bd (Ser 1) £5 ⅛ (30/12). Imp Chin Rly 5pc Stg Bds (Orn Bds) (Ser 1) £8 (31/12). Imp Chin Oly (C-K) 5pc ...

SHARE STAKES

British Empire Securities and General Trust: Following recent purchases the Imperial Life Assurance Co now owns a total of 2.9m ordinary shares (14.26 per cent).

Associated Sprayers: Hitts Industries has acquired a further 300,000 ordinary and now have a beneficial holding of 735,480 ordinary (8.44 per cent).

G. R. Holdings: Lake View Investment Trust holds 260,000 ordinary shares (6.29 per cent) following disposal of 49,000 ordinary.

The Exploration Co: Finance For The West is interested in 777,500 shares (6.45 per cent) which is registered in the name of Finpart Nominees.

BoooSbond Holdings: Vadan no longer holds a notifiable interest in the ordinary shares.

Helical Bar: Amsteel Group has purchased 25,000 ordinary shares increasing their total holdings to 230,000 shares.

Richards: Edinburgh Investment Trust has sold its holding of 775,000 Richards ordinary shares (6.46 per cent).

Ward White Group: T. R. Lovell, a director, has purchased 50,00 ordinary shares under the Ward White share option scheme. C. G. I. Rose, a director, has purchased 50,000 ordinary shares under the scheme.

Silkolene Lubricants: Burnett and Hallamshire Holdings acquired a further 416,000 ordinary which brings its holding to 832,000. Immediately following this acquisition B and H has disposed of its entire holding of 832,000 ordinary and accordingly it no longer has a notifiable interest in the ordinary share capital.

Newmarket (1981): Witan Investment Company is now interested in 1,781,020 shares (13.3 per cent) and Fleming Mercantile Investment Trust is now interested in 1.95m shares (14.8 per cent).

Greens Economisers Group: The Scottish American Investment Company is now holder of 657,000 ordinary shares (6.68 per cent).

Sandhurst Marketing: Mrs U. M. E. Hulme, a director, has disposed of 86,836 ordinary shares reducing her total holding to 273,555 shares (3.994 per cent).

Lasmo: R. E. Fox, a director, has disposed of a total of 70,000 ordinary shares.

Keep Investment Trust: Following acquisition of Dorada, large holdings in the ordinary share capital of Keep are British Car Auctions 9,580,000, D. A. Wickins 685,000 and G. P. C. Howard 1m.

Evered Holdings: Neil Fergusson (Chemist) has become interested in a total of 600,000 ordinary shares (6.87 per cent).

Great Universal Stores: As a result of recent purchases Prudential Corporation Group has interests in 435,742 ordinary stock units (6 per cent).

CAPARO EXPANDS STEEL INTERESTS

Caparo Industries has acquired, with effect from January 1 1983, the bar and forging steel stockholding business of Ralph and Co (Birmingham), comprising its assets and order book for approximately £250,000 in cash.

The operations, which will be carried on from Caparo's site at Loxdale Street, Bilston, will include laboratory facilities to enable quality control to be maintained.

This expansion takes Caparo into a new sector of the market and further widens the range of products available from its subsidiary CMT Group's steel stockholding division.

PREMIER CONSLD. $1.7M SALE

Premco Petroleum Inc., wholly owned U.S. subsidiary of Premier Consolidated Oilfields, has sold its 6.8 per cent interest in the Midway Sunset Oil Field in California for $1.71m cash to Tenneco Inc.

Premier bought the original interest of 73 per cent in these properties in 1973 for $4.1m and spent additional development funds to bring its investment over $5m. It recovered in excess of $7m in profits following which reversionary interests reduced its share to 6.8 per cent. Cash flow has been running at $200,000 per year.

EUROPEAN OPTIONS EXCHANGE

Series			Mar. Vol.	Mar. Last	Jun. Vol.	Jun. Last	Sep. Vol.	Sep. Last	Stock
O/FL	C	F.250	1	4.50	2	6	—	—	F.258.80
O/FL	C	F.255	2	5 A	—	—	—	—	"
O/FL	P	F.250	7	8.50	4	12.80	—	—	"
O/FL	P	F.265	40	11	1	16.50	—	—	"
D/FL	P	F.270	—	—	—	—	50	25.50	"
			Feb.		May		Aug.		
GOLD	C	$350	66	119 B	—	—	—	—	$465
GOLD	C	$375	—	—	66	106 B	—	—	"
GOLD	C	$400	25	70	5	88	5	95 B	"
GOLD	C	$425	28	46	7	52	—	—	"
GOLD	C	$450	40	30	112	51	152	62	"
GOLD	C	$475	103	18	73	40	17	60	"
GOLD	C	$500	115	11	87	28	—	—	"
GOLD	C	$550	78	5	40	12	—	—	"
GOLD	P	$375	—	—	10	5.50	—	—	"
GOLD	P	$400	18	1	15	8.50	7	10	"
GOLD	P	$425	5	2.50 A	87	10	—	—	"
GOLD	P	$450	4	8	60	19 A	—	—	"
GOLD	P	$475	5	25 A	4	54 A	—	—	"
GOLD	P	$550	—	—	2	92 A	—	—	"
12¾ NL 81 87-81									
	C	F.120	—	—	9	15	—	—	F.155.50
	C	F.122.50	50	15	—	—	—	—	"
	C	F.195	10	10.50 B	—	—	—	—	"
	C	F.127.50	110	8 B	—	8.50	—	—	"
	C	F.130	—	—	205	7.50	—	—	"
	C	F.155	12	5	38	5.80	100	5.10	"
	P	F.150	—	—	—	—	300	5	"
10½ NL 80 86-85									
	C	F.115	—	—	—	—	10	4 A	"
11¼ NL 82 88-22									
	C	F.115	7	4	—	—	—	—	F.119
	C	F.117.50	10	5	—	—	—	—	"
10½ NL 82 85-88									
	C	F.107.50	—	—	5	4.50	—	—	F.111.90
10 NL 82-II 86-89									
	C	F.105	—	—	—	—	25	9.20	F.115.40
	C	F.107.50	—	—	32	5.20	—	—	"
	C	F.110	—	—	220	4.20	—	—	"
	C	F.119.50	5	2	880	5.10	—	—	"
7¾ NL 82 82-93									
	C	F.100	5	2	17	3.70	—	—	F.101.70
	C	F.102.50	—	—	250	9.50	—	—	"
	P	F.102.50	25	1.80	55	8.70	—	—	"
			Jan.		April		July		
ABN	C	F.320	—	—	—	—	50	10	F.309.50
ABN	P	F.520	—	—	110	14	—	—	"
AKZO	C	F37.50	100	10	50	10.30	—	—	F37.50
AKZO	C	F.30	—	—	48	8	—	—	"
AKZO	C	F.32.50	118	4.80	105	5.40	—	—	"
AZKO	C	F.35	52	2.50	131	3.70	43	4.30	"
AKZO	C	F.40	—	—	88	1.80	181	8.50	"
AMRO	C	F.50	—	—	49	2	85	3	F.46.80
AMRO	P	F.35	100	0.10	—	—	—	—	"
CIST	C	F.120	46	6.50	—	—	—	—	F.126
CIST	P	F.110	—	—	65	4.30	—	—	"
CIST	P	F.120	—	—	40	5.50	—	—	"
HEIN	C	F.90	55	12	34	14	—	—	F.101.80
HOOG	C	F.15	93	1.80	—	—	38	2.50	F.16.80
HOOG	C	F17.50	512	0.50	240	1.30	—	—	"
HOOG	P	F.15	—	—	30	0.50	—	—	"
KLM	C	F.140	76	9	—	—	—	—	F.145
KLM	C	F.150	59	4	58	1.260	—	—	"
KLM	P	F.80	—	—	40	0.80 B	—	—	"
KLM	P	F.110	—	—	30	5.60	—	—	"
KLM	P	F.140	84	4.90	58	17.50	—	—	"
NEDL	P	F.100	—	—	55	5.80	—	—	F.100.70
NATN	C	F.120	12	7	50	11	11	4	F.126.60
PHIL	C	F.25	97	4.70	98	5.20	5.30	73	F.22.90
PHIL	C	F.27.50	1155	2.30	809	5.30	16	3.70	"
PHIL	C	F.30	1174	0.70	1389	1.70	609	2.30	"
PHIL	P	F.27.50	25	0.10	11	0.70	48	0.90	"
PHIL	P	F.30	52	0.70	41	1.50	17	1.80 B	"
RD	C	F.90	212	2.20 B	89	10.70 A	17	12.50	F.99.10
RD	C	F.100	1252	1.90	534	5	69	5	"
RD	P	F.90	30	0.10	132	2	5	4	"
RD	P	F.100	121	2.50	55	5.10	57	7.70	"
UNIL	C	F.200	117	4	35	10.60	—	—	F.201
UNIL	P	F.190	120	0.80	4	7	—	—	"
UNIL	P	F.200	38	3.50	—	—	—	—	"

STOCK EXCHANGE DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the seven previous days is given with the relevant date.

‡Bargains at special prices. ●Bargains done the previous day. Bargains done with non-member or executed in overseas markets.

MINES—MISCELLANEOUS

AMAX 5pcDb (1/1/1.86) 3100 £28
Amal Tin Nigeria (Hldgs) (10) 13½ ½ 4
Anglo American (R0.50) £42⅛ (5/1)
Asarco $28⅝ (30/12)
Bisichi (10p) 13 (4/1)
Botswana RST (PuZ) 26
Cons. Gld Fields 6½pcLn 1987-92 £70. 8¼pcLn 1988-93 £78¼ 9

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Conroy Pet Natural Res 80 (31/12)
Voyager Pets 53 (5/1)

(By permission of the Stock Exchange Council)

U.K. CONVERTIBLE STOCK 8/1/83

Statistics provided by *DATASTREAM International*

Name and description	Size (£m)	Current price	Terms*	Conversion dates§	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap(+) Dear(−)◊ Current
British Land 12pc Cv 2002	9.60	252.50	333.3	80-97	4.8	2.4	− 0.3	− 4 to 4	31.9	84.8	20.9	+21.2
Hanson Trust 9½ Cv 01-06	81.54	195.00	71.4	85-01	5.1	3.2	0.0	− 1 to 5	94.8	75.2	−10.1	−10.1
Slough Estates 10pc Cv 87-90	5.03	197.50	234.4	78-84	5.1		−10.4	−11 to −3	17.5	9.2	− 8.8	+ 6.8
Slough Estates 8pc Cv 91-94	24.72	96.50	97.5	80-89	8.3	8.5	5.3	3 to 15	28.6	33.9	5.8	+ 0.5

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. [illegible]

مكبرة من الأصل

INTERNATIONAL COMPANIES and FINANCE

MESA MAY MAKE $45m ON THWARTED BID

Phillips rescues General American

BY PAUL BETTS IN NEW YORK

PHILLIPS Petroleum, among the largest of the U.S. independent oil companies, emerged yesterday as the white knight of General American Oil Company of Texas. It rescued the Dallas-based company from smaller Mesa Petroleum with a friendly $1.14bn takeover deal.

Phillips, which has annual sales of about $16bn, has itself been the subject of takeover speculation in the past 18 months. The acquisition of General American will thus not only increase its U.S. hydrocarbon reserves by 11 per cent, but is also likely to strengthen Phillips defences in the event of a future takeover attempt.

General American had revennes last year of $348m and profits of $61.5m. Phillips will acquire it through a complicated transaction involving an average price of $45 a share for the 25.4m common shares outstanding.

The $45 a share price is a premium on the $40 a share Mesa Petroleum had offered for 13m General American shares or the equivalent of just more than 50 per cent of the company.

To thwart Mesa and its flamboyant chairman, Mr Boone Pickens Jr, General American proposed to buy 8m to 13m of its own shares at $50 each. But General American and Mesa reached an agreement yesterday whereby Mesa will receive a $15m cash payment for the expenses incurred in staging its tender offer. In return Mesa will terminate its offer and has agreed not to buy General American securities for a five-year period.

It is the second time in recent months that the colourful Mr Pickens has failed to acquire another oil company. Last year, Mesa attempted a raid on much larger Cities Service which ended up being acquired by Occidental Petroleum. But Mesa claimed yesterday it could nonetheless have made a $45m profit out of the General American affair.

The friendly takeoved transaction involves a complicated formula in which General American shareholders will receive an average of $45 a share. This, however, will hinge on their tendering all their shares in the company's $50 a share buy-back offer, which continues in effect.

Under the terms of the merger, those shares not bought in the buy-back offer will, if the offer is fully subscribed, be converted in the marger with Phillips into about $38.17 per share in cash or securities issued or guaranteed by Phillips.

General American explained that since it was necessary for stockholders to tender their shares to General American to receive the $45 a share average, the proration period of offer has been extended to January 14. General American said it will buy up to 10.4m of its shares under its buy-back offer.

Phillips wil also buy at $45 a share each the shares in General American held by the Meadows Foundation and a group of other stockholders. Overall, this involves a block of abont 7.5m shares or the equivalent of 29 per cent of outstanding shares.

Profits fall by 26% at Levi Strauss

By Our Financial Staff

LEVI STRAUSS, the world's largest clothing manufacturer, has managed a slight improvement in net profits for the fourth quarter ended November 30 but remained well down for the full year.

Net profits in the final period were $45.9m, or $1.10 a share compared with $44.8m, or $1.08, a year earlier. Full year net was $126.6m, or $3.05 a share, down 26 per cent from the $172.3m, or $4.15, reported for 1981.

Full year sales were $2.57bn compared with $2.85bn, with the fourth quarter contributing $686.5m against $721.3m.

Levi said the cost reduction programme implemented during fiscal 1982 would cut 1983 expenses by about $40m. The reductions included consolidation of various production facilities and realignment of U.S. operations.

The pattern of improved order bookings continued in the fourth quarter but weak foreign currencies had a strong negative effect on international sales and earnings.

Harvester write-down hits Teledyne fourth quarter

BY OUR FINANCIAL STAFF

TELEDYNE, the diversified Los Angeles-based manufacturing group, has reported a steep plunge in fourth quarter profits in part because it wrote-down its 11.8 per cent stake in International Harvester, the troubled truck and farm equipment maker.

Fourth quarter net dropped to $10.1m, or 48 cents a share, from $92.5m, or $4.48, a year earlier. The latest figure included a $49.1m after-tax provision to reflect the reduced market value of investments by Teledyne subsidiaries in Harvester.

The full year net profit was $260.8m, or $12.62 a share, compared with $412.3m, or $19.96, a year earlier. Full year sales fell 12 per cent to $2.86bn from $3.24bn while fourth quarter sales were 15 per cent lower at $673.7m against $794.2m.

The surprise charge from the Harvester holding upset forecasts of Wall Street analysts who had been expecting full year net profit in the region of $16 a share.

The investment is held by several unconsolidated subsidiarics. The charge resulted in an equity accounting loss from those subsidiaries of $48.1m in the fourth quarter against a profit of $15.4m a year earlier and a net profit of $42.1m in the full year against $142.6m.

Teledyne said net income from its consolidated subsidiaries, which consist mostly of its manufacturing operations in such fields as electronics, aviation equipment and aircraft engines, was $218.7m compared with $269.7m a year earlier, reflecting the sluggish state of some markets.

Canadian Harvester shuts plant

BY NICHOLAS HIRST IN TORONTO

INTERNATIONAL Harvester Canada is to close indefinitely its agricultural equipment plant in Hamilton, Ontario, laying off 1,200 hourly and salaried workers from April 29.

But the company, a subsidiary of the troubled Chicago-based International Harvester, says it has no intention of shutting the plant permanently. "We will be back in production when the market is improved," it said.

The products made at Hamilton—seed drills, harvesting and filling equipment—is not made elsewhere in the group and 70 per cent of its output is sold in the U.S. At present demand is so weak that stocks are sufficient to provide supplies at current depressed levels for the rest of the year.

"Markets are poor," an official said. "I do not see any change on 1982 but we'll be constantly monitoring the situation."

The lay-offs, which include 200 workers previously told they would be indefinitely laid off at the end of January, come as a new blow to a town already hard hit by recession in the steel industry, Hamilton's largest employer.

Bell and TVW merger plan judged 'fair'

By Michael Thompson-Noel in Sydney

AUSTRALIAN financier Mr Robert Holmes à Court's planned merger of Bell Group and TVW Enterprises has been endorsed as fair by independent assessors Potter Partners, a firm of stockbrokers.

The merger will create a media, entertainment, transport and resources group with assets of around A$500m (US$483m) and shareholders funds of some A$200m.

Mr Holmes à Court, who is chief executive of both Bell and TVW, said the merger would ease the high gearing of TVW by providing it with access to the considerable financial resources of Bell. TVW owns the UK-based Associated Communications Corporation formerly run by Lord Grade.

EAB in Australian venture

BY WILLIAM HALL, BANKING CORRESPONDENT

EUROPEAN Asian Bank, the Asian-orientated commercial bank owned by seven leading European banks, has joined forces with the State Bank of New South Wales to set up a new merchant bank in Australia, which will be known as European Asian of Australia.

The bank, which will be 50 per cent owned by each partner, will be based in Sydney and will specialise in financing trade between Australia and Asia. However, it will also engage in money market activities and project finance. It will have an issued capital of $A10m (U.S.$9.9m).

Given the large number of foreign banks with stakes in Australian merchant banks, the Australian authorities have shown increasing reluctance over the last few years to permit new joint ventures.

New ventures in the financial sector "must show substantial net economic benefits to Australia or, where the net economic benefits are small, must involve an effective partnership between Australian interests and the foreign investor in the ownership and control of the new venture." This is normally interpreted as giving Australian interests a stake of at least 50 per cent.

Most of the European banks which own European Asian Bank have stakes in Euro-Pacific Finance Corporation, one of the biggest merchant banks in Australia, which specialises in medium-term lending.

The Australian partner in this venture is Westpac Banking Corporation, which has interests in several other Australian merchant banks. By contrast, the State Bank of New South Wales has until recently been little more than a regional savings bank.

But it has been expanding its commercial and international banking business aggressively over the past couple of years and stands to benefit from the link with European Asian Bank.

Australia's merchant banks are in a state of considerable disarray as they wait to see how the Government plans to implement the recommendations of the Campbell Commission report on the Australian financial system.

Over the last decade they have grown more than twice as fast as the local trading banks as a result of certain regulatory advantages which prevented the big commercial banks from paying interest on short-term deposits. The merchant banks have come to play an important role in the short-term money markets as a result. The fear is that their raison d'etre will be undermined if these advantages are terminated.

Sulzer sells Camsco stake

SULZER BROTHERS, the Swiss engineering concern, has sold its controlling interest in the Dallas-based company Camsco to Gerber Scientific, the Connecticut computer aided design company, at an undisclosed price. The sale includes the Munich subsidiary Camsco Europe, writes John Wicks from Zurich.

Camsco is a specialist firm active in the development, manufacture and servicing of computerised systems, particularly for use in the rationalisation of clothing production.

Daon refinancing deal

BY ROBERT GIBBENS IN MONTREAL

DAON Development Corporation, a troubled Vancouver-based real estate developer operating in Canada and the U.S., says it has negotiated the framework of a refinancing package with its major lenders.

Because the details must get executive approval from the banks and Daon debenture holders must also agree, the results for the full year ended October 31, 1982, will be delayed, and the annual meeting put off from February to late April.

Daon has been negotiating with its banks since last July, when the company had to suspend payments on its debentures. It had become over-extended in Canada and the U.S. and met severe cash flow problems

The company reported a loss of C$40.3m (U.S.$32.8m) for the nine months ended July 31, including C$44m in property write-downs. A year earlier, Daon showed a profit of C$14.3m, or 35 cents a share.

Mitel earnings and sales rise

By Our Montreal Correspondent

MITEL, the fast-growing telecommunications equipment manufacturer with subsidiaries in Europe, reports earnings of C$21.6m (US$17.6m) or 58 cents a share, in the nine months ended November 30, against C$20.1m, or 56 cents a share, a year earlier. Sales were C$178m against C$141m.

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LONDON STOCK EXCHANGE

Fragile sterling curbs response to Wall St record but FT All-share index also achieves new high

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Dec 13	Dec 29	Dec 30	Jan 10
Dec 31	Jan 13	Jan 14	Jan 24
Jan. 17	Jan. 27	Jan. 28	Feb. 7

* "New-time" dealings may take place from 9.30 am two business days earlier.

A fragile sterling exchange rate tempered any spectacular response that London stock markets might have made following Wall Street's overnight upsurge to an all-time peak. Leading shares did advance and the broader-based barometer of equity market trends, the FT-Actuaries All-share index, hit a record high for the third successive day; the FT 30-share index rose 5.9 more for a gain on the week of 24.3 to 621.0, still some 16 points short of its peak.

Institutional and other large operators continued to invest sizeable funds, not all of which emanated from the UK. Oils remained a centre of attraction, although persistent demand continued for many stocks with an international flavour. Smaller investors again concentrated on the currently popular or situation issues, some of which rose impressively.

This week's revival of London investment enthusiasm has been generated by stronger hopes about an early U.S. economic recovery and persisting optimism for lower interest rates; a cut in the U.S. Federal Reserve Discount rate, which is thought to be imminent, is likely to herald another round of Prime lending rate reductions.

A rather despondent Gilt-edged market was again dominated by sterling. Quotations changed course as the exchange rate fluctuated yesterday, but at one stage longer-dated stocks had fully regained early falls ranging to ¾. Thereafter, the trend was to the lower levels prevailing since Wednesday's announcement of December's sharply reduced UK gold and currency reserves, following heavy spending to defend the pound. A late report that U.S. bonds were responding to news that the planned 1984 U.S. defence budget was to be trimmed helped most gilts to reduce their losses after the official, 3.30 pm, close.

Index-linked issues, which revived suddenly earlier this week, attracted fresh support and extended their overall rises over the period to some 2¼ points. The latest Government stock, the conventional Exchequer 2½ per cent 1984, made an extremely quiet debut at 84, the minimum tender price.

Life Insurances moved against the trend in sympathy with gilts and possibly on revived fears of a commission price war. Hambro Life led the retreat with a reaction of 10 to 332p, while Legal and General, which announced this week that it is raising the commission rates paid to building societies, cheapened 8 to 343p. Elsewhere, Lloyds Brokers continued to prosper following the appointment of Mr Ian Hay Davison, a leading accountant, as the first chief executive of Lloyds of London; Sedgwick advanced 9 to 200p and Minet hardened 3 to 111p. C. E. Heath also closed 3 dearer for a two-day jump of 26 to 308p. Composites improved further.

London Scottish Finance featured the banking sector, rising 6 to 53p on buying ahead of Monday's preliminary results.

Reflecting disappointment with the November beer production figures, Breweries relinquished the bulk of the gains established on Thursday. In contrast, Wines and Spirits made useful progress, notably Arthur Bell, which advanced 10 for a two-day gain of 18 to 290p.

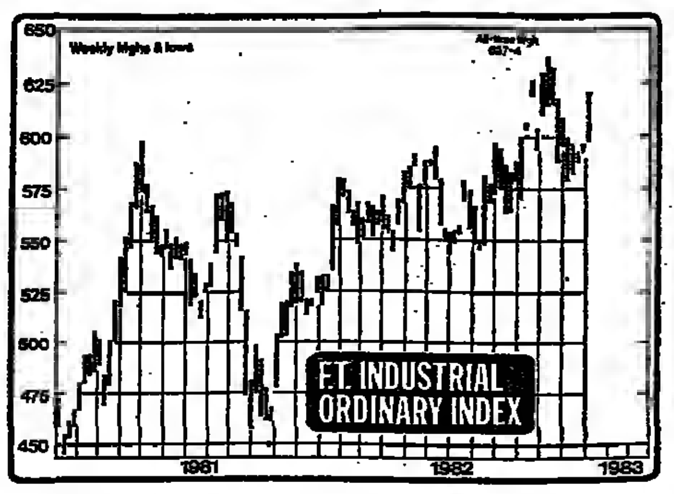
Leading Buildings ended the week on a bright note and closed with useful gains, Blue Circle rising 10 to 462p. Wilson (Connolly), a thin market, put on 14 to 296p on speculative interest. William Leech firmed 3 to 48p following Press comment. Timber issues featured Meyer International which attracted further buying and gained 6 more to 116p.

ICI, a strong performer recently, moved against the general trend and shed 4 to 358p on profit-taking. On the other hand, Yorkshire Chemicals, a neglected market of late, met revived support and put on 5 to 50p, while demand in a thin market lifted James Halstead 6 to 101p. Hickson and Welch firmed 4 for a gain on the week of 31 to 306p on the better-than-expected preliminary results. Novo Industries "B" rose 6 points to £144¼.

Leading Stores finished an eventful week on a relatively quiet note. UDS held at 99p, up 10 on the week, awaiting further developments following the unwelcome bid from Bassishaw. Burton attracted further quality support and rose 4 more to 327p.

Raybeck shed 3 to 30p following the first-half deficit and omitted interim dividend, but further support was forthcoming for Forminster, 128p, and Waring and Gillow, 78p, both 4 dearer. Bakers Household dipped to 115p in immediate response to the reduced annual profits, but rallied to finish a net 7 up at 123p on the cautiously optimistic tone of the accompanying statement. Electrical retailers, still drawing strength from reports of an excellent sales season, responded to late support with Comet outstanding at 290p, up 13, awaiting news from the annual meeting.

Active and generally very firm conditions prevailed in Electricals. Already a rising market earlier in the week following the planned joint venture with American Telephone and Telegraph for the marketing of electronic digital telephone exchanges, Philips Lamps advanced 38 more, making a jump on the shortened week of 82 to 725p; sentiment was also helped by the announcement that the group is engaged in colour television plant talks with the Soviet Union. Still reflecting the deal with Rockwell of the U.S. Plessey gained 17 more to 642p, while Thorn EMI put on 12 to 445p on buying ahead of the interim results scheduled for next Friday. Helped by Press comment, Racal gained 7 to 597p, while GEC appreciated 6 to 213p. Elsewhere, Grosvenor leapt 5½ to 33p on the proposed £2½m rights issue to help finance the acquisition of Floform from GKN. Reports of a broker's favourable circular fuelled fresh demand for Fidelity Radio and, after touching 115p, the shares closed 8 up and 32 better on the week at 107p. Buying in a thin market led to a rise of 33 to 520p in AB Electronics, while International Signal and Control put on 20 to 274p for the same reason. By way of contrast, Electronic Rentals lost 4 more to 63p after comment on the poor interim results.



F.T. INDUSTRIAL ORDINARY INDEX

Interest in the Engineering leaders centred on GKN which responded to the sale of the group's Floform subsidiary to Grosvenor Group for £1.5m with a rise of 6 to 126p. Secondary issues encountered selective support. Renewed demand left Minlog Supplies 4 higher at 74p, while Press comment suggesting that Charter Consolidated will return with a fresh offer left Anderson Strathclyde up 2 more a 170p. Buyers showed interest in Simon Engineering, which gained 5 to 340p, while revived speculative demand promoted a rise of 3¼ to 14½p in C. H. Bailey.

Food Retailers made fresh progress, Tesco firming 3 to 128p and Associated Dairies 4 to 162p; the latter's interim results are due towards the end of the month. Kwik Save rose 5 to 330p following the annual meeting, while J. Sainsbury hardened 3 to 403p. William Morrison attracted support and put on 6 to 168p, as did cash-and-carry wholesalers Batleys of Yorkshire, the same amount up at 96p. Elsewhere, Peek Holdings put on 3 to 12 on speculative interest.

Mount Charlotte continued to respond to the £19m London hotels acquisition and rose 4½ to 35½p. Stakis hardened 2 to 76p; the annual results are due next Tuesday.

Numerous firm features emerged in secondary miscellaneous industrials. Excited by announcement that a near-30 per cent stake in the company had changed hands, Diamond Stylus jumped to 22p before closing a net 5 up at 16p. Still attracting buyers after Press comment, James Wilkes soared 42 for a jump of 65 on the week to 262p, while Wolseley-Hughes advanced 40 to 585p, and the new nil-paid 42 to 110p, on further consideration of a broker's circular. Awaiting further details of the proposed merger, Mr Asil Nadir's Polly Peck rose 3¼ points to £28, Cornell added 15 to 235p, and Wearwell hardened 2 to 96p. Hopes of an early flotation of the group's associated concern, Skean Dhu, induced renewed support for Sidlaw and the close was 18 higher at 314p. Marley appreciated 4 to 53p following a broker's circular, while investment buying left Hanson Trust 8 dearer at 280p. Among the leaders, Bowater stood out with a Press-inspired gain of 9 at 170p.

The more optimistic outlook for the package holiday business enabled travel concerns to take the previous day's gains a useful stage further. Horizon Travel firmed 11 more to 192p, while Intasun put on 5 for a two-day gain of 9 to 101p. Saga advanced 9 to 98p. Elsewhere in the Leisure sector, Samuelson Film Service responded to Press comment and advanced 40 to 385p in a restricted market, but speculative counter Nimslo International encountered selling and dropped 20 to 100p.

Motor and aircraft component manufacturers displayed an irregular appearance. Lucas remained firm, rising 3 for a gain on the week of 12 at 140p, but Abbey Panels, annual results due next Friday, gave up 4 to 52p, while Dowty, which reports interim figures towards the end of the month, shed a like amount to 141p. Elsewhere, Lotus touched 30p before settling for a net penny gain at 28p in response to the £3.5m U.S. order. Among Distributors, Manor National 10¼ per cent Preference was marked 30 lower to 43p on consideration of the decision to suspend the half-yearly payment.

Associated Newspapers, preliminary results due next Friday, improved 12 to 150p, while Fleet Holdings responded to call option business with a rise of 2½ to 37½p. Elsewhere, buyers again showed interest in British Printing, 7 dearer at 90p.

Quietly firm conditions prevailed in Properties. Land Securities hardened 3 to 288p and MEPC 4 to 198p. A certain amount of interest spilled over into secondary issues. Among the more speculative issues, high flyer Stewart Nairn reacted to 77½p on adverse Press comment before picking up to close just 2 cheaper on balance at 80p. Trust of Property put on 2½ to 24p and Phoenix Property and Finance gained 4 to 32p. R. Green closed unaltered at 116p; C. H. Beazer's bid, currently worth 97p per share, has attracted minimal acceptances and the closing date has been extended to January 21.

Oils active

Encouraged further by the overnight advance on Wall Street, Oil shares maintained their recent upward momentum. Trading was again brisk, but with quotations fluctuating around the higher opening values. British Petroleum settled with a fresh gain of 4 at 308p and Shell finished similarly higher at 436p. Certain of the more speculative exploration issues recorded sharp gains. Jackson Exploration encountered persistent support and put on 17 to 250p. Eglington jumped 10 to 55p while American Oil Fields rose 8 to 80p and Hudson Petroleum 6 to 50p. Fresh demand lifted Goal Petroleum 4 for a two-day jump of 10 to 60p.

Trusts enjoyed another brisk demand. Fresh buying was seen throughout the sector, with Japanese issues again well to the fore. Fleming Japanese advanced 11 to 279p and Drayton Japan moved up 7 to 235p. Elsewhere, Ashdown advanced 10 to 246p, while North Atlantic Securities closed 6 higher at 191p. Among Financials, Aitken Hume revived with a gain of 7 to 362p. Exco International were also supported and gained 10 to 360p, along with Mills and Allen, which improved 12 to 282p.

With the recent reaction in sterling boosting the company's overseas earnings potential, [illegible] responded to investment support reflecting upward revisions of brokers' profit estimates and advanced 30 to record a gain on the week of 52 to 677p.

The mining market closed one of its best-ever weeks with another display of all-round strength.

London Financials, widely regarded as having been left behind in the recent boom, sprang to life. The strength of the bullion price, which moved through the psychologically important $460 barrier to close $11.4 up at $465.5, coupled with another good performance by copper—which traded above the £1,000 a tonne level for three months metal—encouraged a wave of heavy local and Continental buying in all three London finance houses.

Rio Tinto-Zinc registered one of its biggest one day gains in many months in rising 38 to 520p; the 9½ per cent Convertible Loan stock jumped £4½ to £119. Gold Fields gained 20 to 520p and Charter 12 to 250p.

South African Golds staged a remarkable recovery. Initially weak, reflecting the early decline in gold, the sharemarket bounded ahead in the early afternoon as the metal rallied from around $454.

The Gold Mines index mirrored the recovery movement, rising a further 1.5 to a peak 588.8—a week's rise of 32.3.

The magnitude of the recovery was illustrated by the performance of Randfontein which, after falling to £80½ in the morning, closed a net £1⅜ up on balance at an all time high of £83⅞. Similarly, Hartebeest, closed ⅞ up on balance at a peak of £45¼, after £43⅜, while in the medium-priced issues, Elandsrand ended 27 higher at 573p, after 580p.

Platinums staged a fresh advance with new highs for 1982-83 common to Impala, 20 up at 580p, Rustenburg, 15 firmer at 450p and Lydenburg, 10 better at 325p.

In Diamonds, De Beers rose 10 to a 1982-83 high of 430p; the 1982 diamond sales figure is expected some time next week.

Australians also enjoyed a week of high turnovers and exceptional gains. The leaders continued to attract heavy "down-under" and London support with gains of 15 common to MIM, 253p, and CRA, 238p. North Broken Hill jumped 12 to 156p and Western Mining 8 more to 238p, while the speculatives were highlighted by Mount Carrington, 7 up at 47p.

Irish/Canadians were featured by Westfield Minerals, up 13 at 80p, while America's premier gold mine, Homestake, rose ½ to a 1982-83 high of £36¼.

Traded Options finished the week on a buoyant note with 2,995 contracts done for a short week's daily average of 2,259. Reflecting the strength of the underlying share price, RTZ attracted 322 calls with 188 done in the February 500's which spurted 19 to 30p; the February 460's closed 27 to the good at 62p. Cons Gold Field positions also displayed noteworthy gains with the January 500 calls 15 higher at 27p. Interest was again shown in Commercial Union and Grand Metropolitan, which attracted 313 and 280 calls respectively.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Jan 7 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Jan 6 Index No.	Wed Jan 5 Index No.	Tue Jan 4 Index No.	Fri Dec 31 Index No.	Year ago (approx.) Index No.	1982/83 High	1982/83 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (208)	444.90	+1.5	9.00	3.86	13.84	438.47	438.75	429.99	429.44	354.30	455.28 (4/11/82)	351.14 (14/1/82)	455.28 (4/11/82)	50.71 (13/12/74)
2	Building Materials (24)	426.76	+1.7	9.93	4.41	12.12	419.68	417.49	403.81	402.34	300.69	426.76 (7/1/83)	299.54 (6/1/82)	426.76 (7/1/83)	44.27 (11/12/74)
3	Contracting, Construction (30)	756.02	+1.0	11.67	4.36	10.21	748.87	743.66	730.40	731.37	536.85	756.02 (7/1/83)	529.58 (6/1/82)	756.02 (7/1/83)	71.48 (2/12/74)
4	Electricals (32)	1754.85	+1.9	6.80	1.96	18.84	1721.70	1735.07	1697.67	1698.07	1226.51	1904.92 (11/10/82)	1205.68 (14/1/82)	1904.92 (11/10/82)	84.71 (25/6/62)
5	Engineering, Contractors (10)	439.14	+1.2	16.15	7.09	7.59	434.06	434.29	431.37	431.20	501.13	523.05 (5/2/82)	431.20 (31/12/82)	523.05 (5/2/82)	64.39 (2/1/75)
6	Mechanical Engineering (66)	197.45	+0.5	12.22	6.00	10.01	196.51	195.88	194.04	193.53	191.51	210.68 (6/9/82)	187.11 (6/4/82)	230.26 (24/4/81)	45.43 (6/1/75)
8	Metals and Metal Forming (11)	158.52	+1.5	13.66	7.85	8.79	156.19	151.71	147.60	147.65	162.11	182.98 (29/1/82)	128.49 (5/10/82)	192.29 (4/5/79)	49.65 (6/1/75)
9	Motors (18)	79.22	+0.9	1.08	7.86	—	78.50	78.49	77.34	77.41	96.88	102.40 (3/2/82)	72.33 (4/10/82)	170.59 (15/1/69)	39.91 (6/1/75)
10	Other Industrial Materials (17)	372.60	+1.0	9.40	5.73	13.24	369.09	368.88	365.35	362.82	373.42	410.63 (5/2/82)	337.32 (9/8/82)	410.63 (5/2/82)	277.55 (15/1/81)
21	CONSUMER GROUP (201)	416.68	+0.6	10.00	4.23	12.11	414.05	411.73	403.95	402.03	271.14	416.68 (7/1/83)	265.59 (5/1/82)	416.68 (7/1/83)	61.41 (13/12/74)
22	Brewers and Distillers (23)	455.95	−0.4	11.06	4.68	11.04	458.00	454.37	450.96	450.16	267.07	458.00 (6/1/83)	261.00 (12/1/82)	458.00 (6/1/83)	69.47 (13/12/74)
25	Food Manufacturing (21)	336.50	+0.8	13.35	5.40	8.77	333.83	329.01	323.67	323.11	268.07	339.73 (5/11/82)	255.63 (21/6/82)	339.73 (5/11/82)	59.67 (11/12/74)
26	Food Retailing (14)	893.33	+1.4	7.01	2.64	17.91	880.82	878.80	860.34	859.53	549.75	915.86 (17/11/82)	545.79 (5/1/82)	915.86 (17/11/82)	54.25 (11/12/74)
27	Health and Household Products (8)	708.16	—	5.57	2.57	21.31	708.21	699.83	666.09	663.01	349.19	743.51 (15/11/82)	338.70 (5/1/82)	743.51 (15/11/82)	175.38 (28/5/80)
29	Leisure (24)	477.01	+0.6	8.89	4.86	14.32	474.16	473.72	465.81	464.12	418.46	477.01 (7/1/83)	395.85 (9/7/82)	477.01 (7/1/83)	54.83 (9/1/75)
32	Newspapers, Publishing (13)	653.34	+3.1	9.77	4.96	12.83	633.70	622.63	619.26	626.86	484.52	653.34 (7/1/83)	472.39 (14/1/82)	653.34 (7/1/83)	55.08 (6/1/75)
33	Packaging and Paper (14)	150.63	+4.6	14.54	7.44	8.13	144.00	142.12	139.78	141.21	134.92	153.22 (8/6/82)	130.74 (5/1/82)	161.79 (1/5/81)	43.46 (6/1/75)
34	Stores (47)	384.99	−0.1	7.89	3.57	16.73	385.31	386.80	382.28	379.20	248.14	397.17 (19/11/82)	238.02 (5/1/82)	397.17 (19/11/82)	52.63 (6/1/75)
35	Textiles (23)	180.12	+1.0	13.20	5.95	9.18	178.32	177.47	173.52	171.44	155.25	182.62 (12/5/82)	152.91 (5/1/82)	235.72 (17/1/67)	62.66 (11/12/74)
36	Tobaccos (3)	477.62	+3.4	18.37	5.80	6.02	462.13	458.49	451.20	444.79	254.91	477.62 (7/1/83)	251.28 (6/1/82)	477.62 (7/1/83)	94.34 (13/6/62)
39	Other Consumer (11)	349.54	+1.5	2.41	3.97	—	344.49	348.16	342.02	334.21	257.21	349.54 (7/1/83)	247.87 (1/1/82)	349.54 (7/1/83)	229.84 (28/9/81)
41	OTHER GROUPS (77)	297.38	+0.2	11.56	5.62	10.42	296.78	295.07	292.67	291.11	234.13	297.38 (7/1/83)	228.88 (5/1/82)	297.38 (7/1/83)	58.63 (6/1/75)
42	Chemicals (15)	391.71	−0.3	12.31	6.18	9.71	392.72	392.75	390.84	387.16	311.19	392.75 (5/1/83)	297.89 (5/1/82)	392.75 (5/1/83)	71.20 (1/12/74)
44	Office Equipment (5)	89.03	+0.3	15.39	8.29	7.98	88.73	83.39	81.37	80.95	117.66	131.88 (29/1/82)	78.52 (22/12/82)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (13)	537.33	+1.4	16.12	7.92	7.39	530.13	525.95	520.64	520.98	529.63	587.26 (5/2/82)	496.46 (18/12/82)	644.76 (24/4/81)	90.80 (29/6/62)
46	Miscellaneous (44)	422.04	+0.4	9.49	4.32	12.84	420.54	418.66	414.89	413.68	291.22	422.04 (7/1/83)	289.92 (5/1/82)	422.04 (7/1/83)	60.39 (6/1/75)
49	INDUSTRIAL GROUP (486)	410.34	+0.9	9.84	4.27	12.40	406.82	405.40	398.12	396.68	294.42	410.34 (7/1/83)	289.79 (5/1/82)	410.34 (7/1/83)	59.01 (13/12/74)
51	Oils (14)	732.51	+1.1	17.29	7.89	6.82	724.84	714.24	700.63	700.81	710.56	792.72 (22/10/82)	627.13 (20/3/82)	1065.24 (19/11/80)	87.23 (29/5/62)
59	500 SHARE INDEX	437.01	+0.9	10.91	4.79	11.10	433.13	430.93	423.13	421.83	328.21	437.01 (7/1/83)	324.63 (12/1/82)	437.01 (7/1/83)	63.49 (13/12/74)
61	FINANCIAL GROUP (121)	274.46	+0.5	—	6.43	—	273.02	271.07	267.24	267.95	250.63	275.98 (19/10/82)	238.23 (28/6/82)	279.45 (1/9/81)	55.88 (13/12/74)
62	Banks (6)	275.56	−0.2	36.59	8.75	2.99	276.25	276.10	273.48	276.91	284.90	304.42 (22/2/82)	249.31 (4/10/82)	304.42 (22/2/82)	62.44 (12/12/74)
63	Discount Houses (8)	293.82	−0.2	—	8.06	—	294.37	295.27	293.50	291.03	212.36	334.35 (14/10/82)	211.15 (7/1/82)	334.35 (14/10/82)	81.40 (10/12/74)
65	Insurance (Life) (9)	350.43	−1.7	—	5.46	—	356.56	356.23	354.55	356.98	248.93	363.91 (15/11/82)	243.18 (12/1/82)	363.91 (15/11/82)	44.88 (2/1/75)
66	Insurance (Composite) (10)	187.04	+1.9	—	7.60	—	183.63	179.62	174.73	174.74	150.92	187.04 (7/1/83)	147.23 (20/5/82)	188.09 (1/9/81)	43.96 (13/12/74)
67	Insurance Brokers (7)	530.18	+2.5	12.13	5.14	11.46	517.11	493.92	490.29	489.98	415.57	584.97 (20/10/82)	410.59 (13/1/82)	584.97 (20/10/82)	65.86 (16/12/74)
68	Merchant Banks (13)	156.55	+0.2	—	5.51	—	156.25	156.60	154.01	152.21	152.75	162.30 (15/11/82)	128.79 (5/7/82)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (54)	424.29	+1.1	6.07	4.20	21.74	419.78	420.26	414.40	413.25	443.72	468.36 (11/3/82)	378.29 (26/11/82)	517.77 (2/4/81)	56.01 (20/4/65)
70	Other Financial (14)	188.80	+0.9	14.68	6.16	8.07	187.07	186.10	183.23	183.38	174.83	189.35 (11/2/82)	157.25 (16/8/82)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (109)	380.19	+2.8	—	4.41	—	369.91	366.50	360.84	358.26	285.66	380.19 (7/1/83)	283.53 (6/1/82)	380.19 (7/1/83)	71.63 (13/12/74)
81	Mining Finance (4)	262.04	+6.1	7.83	5.42	17.09	247.09	247.61	241.18	236.76	230.34	262.04 (7/1/83)	169.40 (21/6/82)	296.26 (14/8/81)	66.31 (30/9/74)
91	Overseas Traders (16)	406.76	+2.1	12.28	8.89	10.76	398.45	397.16	387.81	389.58	408.72	438.99 (11/2/82)	327.29 (21/6/82)	488.51 (18/5/81)	97.37 (6/1/75)
99	ALL-SHARE INDEX (750)	396.42	+1.1	—	5.07	—	392.24	390.10	383.25	382.22	310.09	396.42 (7/1/83)	306.22 (12/1/82)	396.42 (7/1/83)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Jan 7	Day's change %	Thur Jan 6	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.37	−0.08	117.47	—	0.00
2	5-15 years	127.84	−0.30	128.23	—	0.00
3	Over 15 years	134.48	−0.46	135.10	—	0.00
4	Irredeemables	141.16	−0.27	141.54	—	0.00
5	All Stocks	126.48	−0.28	126.84	—	0.00
6	Debentures and Loans	101.25	−0.20	101.45	—	0.00
7	Preference	75.96	—	75.96	—	0.00

	AVERAGE GROSS REDEMPTION YIELDS		Fri Jan 7	Thur Jan 6	Year ago (approx.)	1982/83 Highs	1982/83 Lows
	British Government						
1	Low Coupons	5 years	8.82	8.71	13.28	13.49 (5/1/82)	7.89 (2/11/82)
2		15 years	10.19	10.11	14.18	14.28 (5/1/82)	9.25 (11/11/82)
3		25 years	10.50	10.48	14.09	14.17 (12/1/82)	9.47 (2/11/82)
4	Medium Coupons	5 years	11.45	11.41	16.27	16.41 (12/1/82)	9.89 (11/11/82)
5		15 years	11.40	11.32	15.98	16.10 (5/1/82)	10.32 (3/11/82)
6		25 years	10.90	10.83	15.37	15.46 (12/1/82)	10.61 (19/10/82)
7	High Coupons	5 years	11.56	11.49	16.30	16.30 (8/1/82)	9.96 (3/11/82)
8		15 years	11.60	11.53	16.14	16.28 (5/1/82)	10.55 (2/11/82)
9		25 years	11.11	11.03	15.73	15.76 (12/1/82)	10.14 (2/11/82)
10	Irredeemables		10.43	10.39	13.56	13.64 (12/1/82)	9.31 (3/11/82)
11	Debs & Loans	5 years	12.48	12.45	16.88	17.07 (12/1/82)	11.11 (12/11/82)
12		15 years	12.39	12.36	16.71	16.85 (12/1/82)	11.35 (19/10/82)
13		25 years	12.39	12.36	16.61	16.72 (12/1/82)	11.49 (15/11/82)
14	Preference		13.06	13.06	16.22	16.24 (11/1/82)	12.24 (12/11/82)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Engineering Contractors	31/12/71	153.84	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1982/83

NEW HIGHS (320)

BRITISH FUNDS (6)
Exch 3pc 1983; Treas 2½pc IL 2003; Treas 2pc IL '96; Treas 2½pc IL 2009; Treas 2½pc IL 2001; Treas 2½pc IL 201[illegible]

AMERICANS (15)

CANADIANS (5)

BANKS (3)
Algemene; Cie Bancaire; Nat Comm Aust

BREWERS (4)
Amal Dist; Greenall Whitley; Boddingtons; Young Brew A

BUILDINGS (9)
Carr (J.); Meyer Int; Countryside; Tarmac; Higgs & Hill; Travis & Arnold; Lawrence (W.); Trent; Manders

CHEMICALS (6)
Akzo; Hickson & Welch; Ciba Geigy 8¾pc; Hoechst; Halstead; Yorks Chems

STORES (4)
Comet; Forminster; Currys; Gelfer (A. & J.)

ELECTRICALS (14)
Amstrad; Immediate Business; Cray Electronics; Int. Signal Control; Dubilier; Nippon; Feedback; Norsk Data; Fidelity Radio; Philips Lamps; First Castle; Security Centres; Grosvenor; Wholfall

ENGINEERING (7)
Assoc Tooling; Folkes Hefo; Black & Decker; Martonair; Bullough; Williams (W.); Cummins 7[illegible]/94

FOODS (4)
Avana; Hillards; Batleys of Yorks; Home Farm

HOTELS (1)
Mount Charlotte

INDUSTRIALS (25)
Armour Trust; Moben; Borg-Warner; Ozalid; Brengreen; Polly Peck; Cole Group; Pritchard Services; Continental Group; Schlumberger; Diamond Stylus; Sidlaw; Emhart Group; Siebe Gorman; Hanson Trust; Silentnight; Do. 9½pc Cnv; Trafalgar House; Hawley Group; Unilever; Hyman (I. & J.); Do NV; IC Industries; Utd Parcels; Johnson Matthey; Wilkes (J.); LRC; Wolseley-Hughes; Marley

INSURANCE (3)
Gen Accident; Sun Alliance; Liberty Life

LEISURE (2)
Leisuretime; Riley Leisure

MOTORS (4)
Gen Motors Units; Harrison (T. C.); Herman Smith; Jessups

NEWSPAPERS (1)
Independent

PAPER (2)
British Printing; Saatchi & Saatchi

PROPERTY (5)
Bradford Prop; Trust of Prop; Carlton Real Ests; Wereldhave; Cussins Prop

TEXTILES (4)
Allied Textile; Miller (F.); Brit Mohair; Notts Manf

TOBACCOS (1)
BAT Inds

TRUSTS (142)

OIL AND GAS (3)
Ceres Res; Silkolene; Royal Dutch

PLANTATIONS (2)
Cons Plants; Kuala Kepong

MINES (40)

NEW LOWS (9)

ELECTRICALS (1)
Elect Rentals

ENGINEERING (2)
Cooper Inds; Weeks Assoc

INDUSTRIALS (4)
Billam (J.); Metal Closures; Francis Inds; Stadis Potts 10pc

MOTORS (1)
Abbey Panels

PAPER (1)
Smith (David)

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Glaxo	24	£14⅝	+ ⅛	Plessey	14	625	+ 7
Stewart Nairn	16	82	+ 6½	Anderson Strth.	13	168	+12
Sidlaw	17	296	+16	Elect. Rentals	13	67	− 8
BAT Industries	15	647	+ 3	Rank Org.	13	122	+12
De Beers Defd.	14	420	+ 8	Beecham	12	353	− 2
ICI	14	362	− 2	Orfontein	12	£20¾	+ ⅞
Leslie	14	276	+ 6	Sedgwick	12	191	+10

4-DAY ACTIVE STOCKS

Based on bargains over the four-day period ending Thursday.

Stock	No. of changes	Thurs. close	Change on week	Stock	No. of changes	Thurs. close	Change on week
Glaxo	85	£14⅝	+ 1⅛	Aitken Hume	51	355	+25
Comb. Tech.	72	65	+ 3	Leslie	49	276	+39
ICI	68	362	+ 8	Arlen Elec.	46	170	+16
UDS	65	98xd	+15	Banlox	46	40	+ 8
De Beers Dfd.	59	420	+38	Vaal Reefs	46	£71	+ ⅞
Fidelity Radio	59	99	+31	GEC	45	212	+ 6
Plessey	58	625	+21	Racal Elec.	45	590	—

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
AB Elect.	520	+33	RTZ	520	+38
BP	308	+ 4	Shell Transport	436	+ 4
Charter Cons.	250	+12	Sidlaw	314	+18
Cons. Gold Fields	520	+20	Stewart Nairn	80	− 2
Randfontein	£83⅞	+ 1⅜	Wilkes (Jas.)	262	+42
Rank Organisation	122	—	Wolseley Hughes	585	+40

BRENT WALKER

Locks Heath Properties Twenty One, the private Hong Kong company controlled by Mr George Walker, the Brent Walker chief executive, has received total acceptances of 5,517,898 shares (78.8 per cent), to its offer for Brent Walker.

Together with stock units acquired before the offer, Locks Heath now owns 6,308,680 shares (90.1 per cent of issued share capital).

The offer remains open. Locks Heath intends in due course compulsorily to acquire the remain-

CARRINGTON VIYELLA

Mr Joe Hyman has purchased 1m ordinary shares in Carrington Viyella at 8½p per share.

Mr Hyman and his family trusts are interested in a total of 10.1m of this class of capital (5.56 per cent).

BENN BROTHERS

Benn Brothers has acquired from P. S. Williams (trading as Herald Advisory Services) the rights to the name Herald Holi-

FINANCIAL TIMES STOCK INDICES

	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Dec. 31	Dec. 30	A year ago
Government Secs.	80.11	80.46	81.33	81.45	81.19	81.79	61.93
Fixed Interest	81.83	81.91	82.26	82.11	81.93	82.18	62.79
Industrial Ord.	621.0	615.1	612.7	609.9	596.7	593.8	529.5
Gold Mines	588.8	587.3	569.5	562.2	556.5	558.2	299.0
Ord. Div. Yield	4.81	4.85	4.89	5.02	5.05	5.07	6.67
Earnings, Yld.% (full)	10.37	10.44	10.55	10.82	10.88	10.92	9.95
P/E Ratio (net) (*)	11.56	11.49	11.40	11.09	11.03	10.98	12.83
Total bargains	24,042	21,747	21,006	18,185	18,003	14,756	16,671
Equity turnover £m.	—	314.26	103.58	116.26	79.26	145.26	136.7
Equity bargains	—	21,164	19,154	14,848	11,442	16,276	13,585
Shares traded (ml)	—	108.6	131.8	85.2	69.1	110.3	96.5

10 am 619.8. 11 am 617.6. Noon 616.5. 1 pm 617.7.
2 pm 619.1. 3 pm 619.7.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=10.76.

HIGHS AND LOWS / S.E. ACTIVITY

	1982/3 High	1982/3 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.84 (5/11)	61.89 (1/1/82)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.02 (12/11)	62.79 (7/1/82)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	637.4 (12/11)	518.1 (6/7/82)	637.4 (12/11/82)	49.4 (26/6/40)
Gold Mines	588.8 (7/1/83)	181.3 (22/6)	588.8 (7/1/83)	43.5 (26/10/71)

	Jan. 6	Jan. 5
—Daily Gilt Edged Bargains	206.2	183.4
Equities Bargains	137.1	184.1
Value	636.2	370.6
5-day Avrge Gilt-Edged Bargains	161.8	133.0
Equities Bargains	107.1	98.1
Value	338.1	244.6

LEADERS AND LAGGARDS

Percentage changes since December 31, 1982 based on Thursday, January 6, 1983.

Office Equipment	+ 8.61	Contracting, Construction	+ 2.38
Health and H'sehold Products	+ 6.82	Overseas Traders	+ 2.28
Metals and Metal Forming	+ 6.78	Leisure	+ 2.16
Insurance Brokers	+ 5.54	Capital Goods	+ 2.10
Gold Mines Index	+ 5.53	Packaging and Paper	+ 1.98
Insurance (Composite)	+ 5.09	Other Groups	+ 1.95
Mining Finance	+ 4.36	Financial Group	+ 1.89
Building Materials	+ 4.31	Shipping and Transport	+ 1.76
Textiles	+ 4.01	Brewers and Distillers	+ 1.74
Tobaccos	+ 3.90	Other Industrial Materials	+ 1.73
Oils	+ 3.42	Stores	+ 1.61
Food Manufacturing	+ 3.32	Property	+ 1.58
Investment Trusts	+ 3.25	Mechanical Engineering	+ 1.54
Other Consumer	+ 3.08	Chemicals	+ 1.44
Consumer Group	+ 2.99	Motors	+ 1.41
500 Share Index	+ 2.68	Electricals	+ 1.39
Merchant Banks	+ 2.65	Discount Houses	+ 1.15
All-Share Index	+ 2.62	Newspapers, Publishing	+ 1.09
Industrial Group	+ 2.56	Engineering Contractors	+ 0.66
Food Retailing	+ 2.48	Insurance (Life)	− 0.12
		Banks	− 0.24

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan 10	Jan 21	Apr 21	May 3
Jan 24	Feb 4	May 5	May 16
Feb 7	Feb 18	May 19	May 31

For rate indications see end of Share Information Service

Demand for options continued to expand and calls were arranged in Inter-City, Burmah, Sovereign, North Kalgurli, Combined Technology, Charterhall, Rank Organisation, Lasmo, Carlton Real Estate, Ocean Transport, KCA International, Branon, Fleet Holdings, Kean and Scott, FKI, Horizon Travel, London and Liverpool, Stewart Nairn, Suter, Chloride, Pleasurama, Kia Ora Gold, Polly Peck, Davy, Vickers and TSL Thermal Syndicate. Puts were done in De Beers Deferred and ICI, while doubles were transacted in London and Liverpool, Charterhall, Turner and Newall, A. G. Stanley, KCA International, Burmah, Chloride, Empire Stores, East Rand Proprietary Mines, Bats, ICI and Mills and Allen.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	7	72	18	121	219	49
Corpns., Dom. and Foreign Bonds	—	27	52	28	74	208
Industrials	390	136	799	1,389	610	3,307
Financial and Props.	257	34	226	846	125	1,100
Oils	45	10	55	141	50	249
Plantations	7	—	16	17	0	69
Mines	73	16	59	302	89	231
Others	98	16	60	316	144	242
Totals	877	311	1,285	3,160	1,287	5,448

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −	Net Div.	Times covered	Gross yield	P/E ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1982/3 High	1982/3 Low	Stock	Closing price p	+ or −
[illegible]							

[illegible]

INSURANCE & OVERSEAS MANAGED FUNDS

Standard Life Assurance Company
3 George St., Edinburgh EH2 2XZ 031-225 7971

Managed	178.2	[illegible]	+2.1	—
Property	129.2	[illegible]		—
Equity	204.5	[illegible]	+2.2	—
International	185.9	[illegible]		—
Fixed Interest	152.1	[illegible]	-0.8	—
Index Linked	100.9	[illegible]	+0.4	—
Cash	124.9	[illegible]		—
Pension Managed	198.8	[illegible]	+3.0	—
Pension Property	139.2	[illegible]		—
Pension Equity	224.7	[illegible]	+3.1	—
Pension Intl.	213.4	[illegible]	+7.7	—
Pension Fxd. Int.	157.6	[illegible]	-0.9	—
Pension Index Linked	102.2	[illegible]	+0.5	—
Pension Cash	137.1	[illegible]	+0.1	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham. 0403 64141

Index Linked Fund	106.5	112.2	+0.3	—
Equity Fund	271.0	285.3	+2.2	—
Fixed Interest Fund	180.0	189.5	-0.9	—
Property Fund	209.1	220.2		—
International Fd.	154.5	162.7	+3.7	—
Deposit Fund	138.3	145.5		—
Managed Fund	212.9	224.2	+2.2	—
Intnl Bond Jan 4	£17.22	—		—

Individual Pension Funds

Index Linked	123.3	129.8	+0.4	—
Equity	126.6	133.3	+1.1	—
Fixed Int.	137.0	144.3	-0.8	—
Property	102.4	107.8		—
International	125.4	132.0	+3.4	—
Deposit	104.8	110.4		—
Managed	127.0	133.7	+1.2	—

*Group Pension funds—Prices available on request.

Sun Life of Canada (UK) Ltd.
2, 3, 4, Cockspur St., SW1Y 5BH 01-930 5400

Bishopsgate Commodity Ser. Ltd.
P.O. Box 42, Douglas, I.o.M. 0624-23911

ARMAC* Jan 5	$61.99	58.28		—
COUNT** Dec. 6	£3.305	3.506		1.50
CANRHO** Dec 6	£1.642	1.742		—
MAPSA* Jan 5	$10.62	11.29		—

Original issue *$10 and **£1. Next val. Feb. 7.

Bridge Management Ltd.
GPO. Box 590, Hong Kong

N'bashi Dec. 31		Y31,287		—
Nippon Fd Jan 5	$25.18	26.14		1.03

Britannia Intl. Investment Mngmt. Ltd.
Box 271, Queensway House, Queen Street, St. Helier, Jersey C.I. 0534-73114

Vanbrugh Pensions Limited
41-43, Maddox St., Ldn., W1R 9LA 01-499 4923

Managed	197.6	208.0		—
Equity	236.7	249.2		—
Fixed Interest	183.0	192.7		—
Property	175.7	185.0		—
Index Linked Gilt	107.0	112.7		—
Guaranteed		9.50		—
International Money	107.3	113.0	+0.4	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	133.5	140.5		—
Accum. Pen. Units	219.6	231.2		—
Flex. Inv. Growth	141.4	148.8		—
Future Assd Growth	56.0(A)	74.0(B)		—
Ret. Ass'd Pen.		43.47		—

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adiverba	DM21.95	22.61	+0.03	—
Adiverbal	DM59.57	62.69	+0.25	—
Fondak	DM29.65	31.13	-0.23	—
Fondis	DM26.31	27.63	+0.56	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933
Albany $ Fd. (C.I.) $209.56 212.61 — 1.65
Next dealing Jan 14.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	$10.32	10.34		9.71
AHR Gilt Edg. Fd.	£12.57	13.05	-0.03	11.13

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv: ACMI, 62/63 Queen St., EC4. 01 248 8881
Distribution Dec 1/31 (0.029562) (8.54% pa)

Andover Futures Ltd. (Adv: Thwaite)
c/o MIL: Bank of Bermuda 209-295 4000
NAV Nov 30 $75.38

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (z)	$1.056	1.079		11.12
East Intl & Energy (z)	120.4	128.2	+4.5	0.89
Gov't Secs. Tst.	81.5	84.9	-0.9	11.77

Daily Dealings, yields based on estimates.
Sterling Fd. 123.5 146.6 — 0.32
Prices at Jan 5. Next dealing Jan 12.

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg
Fleming Jan 4 $34.07 —

Frankfurt Trust Investment—GmbH
Wiesenau 1, D-6000 Frankfurt

FT-Interzins	DM40.23	42.47	+0.05	—
Frankft. Effekt. Fd.	DM58.28	61.35	-0.20	—

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.
NAV Jan 6 $178.90 —

G. T. Management (U.K.) Ltd.
Park Hse., 16 Finsbury Circus.
Tel: 01-628 8131. Tlx: 886100.
London Agents for:

Anchor Gilt Edge	£9.99	10.04	-0.09	12.65
Anchor Int. Fd.	$7.07	7.60		1.50
Berry Pac Fd.		$7.15		0.63
Berry Pac Strlg.	£5.55	5.84		0.90
GT Applied Science Fd.		$14.10		—
G.T. Asia Fd.		$3.25		1.30
G.T. Asia Sterling	£31.15	32.79		1.60
G.T. Australia Fd.		$23.06		4.96
G.T. Bond Fund		$11.90	+0.03	9.66
G.T. Dollar Fd.		$14.62	+0.06	1.03
G.T. Dlr. (Strlg.) Fd.	£20.29	21.39	+0.11	1.23
G.T. Global Tech Fd.		$15.06		—
G.T. Honshu Pathfinder		$10.65		—
G.T. Invest. Fd.		$18.01	+0.28	0.56
G.T. Japan Small Cos.		$18.29		—
G.T. Technology Fd.		$29.65		—
G.T. Pacific Fd.		$13.95	-0.08	1.00
G.T. Asean Growth Fd.		$9.33	+0.19	1.61

Gartmore Fund Managers Ldn. Agents
2, St. Mary Axe, London, EC3. 01-623 6114

Gartmore Fund Managers (C.I.) Ltd. (a) (h)
41, Broad St., St. Helier, Jersey. 0534-73741
Gilt Fund (Jersey) 96.0 101.0 — 11.25

Gartmore Fund Managers (Far East) Ltd. (a)(h)
1503 Hutchison Hse., 10 Harcourt Rd., H. Kong

Australia Tst.	4.608	4.946		1.30
HK & Pac. U. Tst.	HK$5.992	6.397	-0.04	2.60
Japan Fd.	$25.351	27.142		0.40
N. American Tst.	$21.951	23.548		0.40
Intl. Bond Fund	$11.806	12.436	+0.28	7.00

Gartmore Fund Managers (IOM) (a)
P.O. Box 32, Douglas, Isle of Man Tel. 0624 23911

Gartmore Intl. Inc.	19.2	20.4		—
Gartmore Intl. Grth.	155.7	165.7		0.60

Assicurazioni GENERALI S.p.A.
P.O. Box 132, St. Peter Port, Guernsey, C.I.

Sterling Managed Fd.	£133.07	140.08		—
Dollar Mngd. Fd.	$125.89	132.52		—

Granville Management Limited

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
99 3/16	91	Exch. 3pc 1983	99 3/16	+1/32	3.02	9.82
101¼	95⅛	Treasury 12pc 1983‡‡	100 3/16	−1/32	11.96	10.10
100⅝	92⅞	Treasury 9¼pc '83	99½xd	.....	9.30	10.37
104⅝	96⅞	Exch. 13½pc '83	102½	−1/16	13.17	10.34
101½	91⅞	Exch. 10pc 1983	99 11/16	−1/16	10.03	10.18
98⅛	87⅞	Funding 5½pc '82-84‡‡	96¾xd	−⅛	5.63	8.93
103¼	91⅞	Exch. 11¼pc 1984	100 9/16	−1/16	11.19	10.60
107¼	96¾	Exchequer 14pc. 1984	103¾	−¼	13.49	10.95
94½	81½	Exch. 3pc 1984	93½	−⅛	3.21	7.86
105¾	91½	Treasury 12pc 1984	101 11/16	−3/16	11.82	10.84
112	96¾	Treasury 15pc 1985	106 11/16	−¼	14.05	11.22
112¼	89½	Exch. 12pc Cnv. '85	104⅝	−⅛	11.47	9.61
91⅛	73½	Treasury 3pc 1985	89⅞	−⅛	3.34	7.78
105½	87½	Treasury 11½pc 1985	101 3/16xd	−⅛	11.37	10.97
61¼	57½	Treas.8¾pc Cv85(£60pd)	58 1/16	−1/16	8.92	9.48
107⅝	88⅝	Exch. 12¼pc 1985	102⅝	−⅛	11.97	11.23
106⅝	86⅛	Exch. 11¾pc '86	101⅞	−⅛	11.59	11.18
89½	69	Treasury 3pc 1986	87¼	−¼	3.44	7.36
107¼	86¼	Treasury 12pc '86	102⅜	−⅛	11.72	11.73
100	80⅝	Treasury 8¼pc '84-86‡‡	96¾xd	−½	8.79	9.63
116¼	96⅝	Treas. 12¾pc '86 Cnv.	107½xd	−⅜	11.39	9.69
114	91⅞	Exch. 14pc 1986	108¼	−⅜	12.95	11.38
112	90	Exch. 13¼pc 1987	106¼xd	−⅛	12.46	11.25
84	84	Exchequer 2½pc 1987	84	.....	2.98	7.04
103½	97	Exch. 10½pc 1987	98⅝	−⅛	10.65	10.88
93⅛	73⅞	Funding 6½pc '85-87‡‡	92½	−⅛	7.06	8.73
85¼	64½	Treasury 3pc 1987	84¼xd	−⅛	3.56	7.15
109	85⅝	Treas. 12pc 1987	102⅞	−⅛	11.66	11.39

Five to Fifteen Years

1982/83 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
98	72½	Treasury 7¾pc '85-88‡‡	92xd	−¼	8.39	9.71
102¾	95¼	Exch 10½pc '88	97⅞	−⅛	10.94	11.50
81	60⅛	Transport 3pc '78-88	75⅛	−¼	3.84	8.04
62¾	55⅞	Treas 9½pc '88 (£60pd)	57½	−¼	10.25	11.23
107⅞	79⅞	Treasury 11½pc 1989	103	.....	11.67	11.81
85⅝	62½	Treasury 5pc '86-89	81¼	−½	6.21	8.88
117¼	85⅞	Treasury 13pc 1990‡‡	106xd	−¼	12.24	11.69
112	85⅝	Exch. 12½pc 1990	107	−¼	12.11	11.81
98⅛	70⅝	Treasury 8¼pc '87-90‡‡	89¼	−¼	9.31	10.48
110¼	77⅞	Treasury 11¾pc 1991	100xd	−¼	11.75	11.75
84⅞	59¾	Funding 5¾pc '87-91‡‡	81¼	−¼	7.17	9.23
104⅛	76⅜	Exch. 11pc 1991	99	−¼	11.38	11.60
116⅞	81⅞	Treasury 12¾pc '92‡‡	105½xd	−¼	12.04	11.68
102¼	70	Treasury 10pc 1992	96¾	−¼	10.27	11.26
112¾	80⅞	Exch. 12¼pc '92	107	−¼	11.97	11.82
118¾	86⅝	Exchequer 13½pc '92	113¼	−¼	12.36	11.87
116½	80⅞	Treasury 12½pc '93‡‡	104¾xd	−¼	11.92	11.69
81½	56¼	Funding 6pc 1993‡‡	76¼	−¼	7.86	9.58
124¾	88	Treasury 13¾pc 1993‡‡	113⅞	−⅛	12.27	11.73
128¼	91⅝	Treasury 14½pc '94‡‡	122¼	−¼	12.39	11.72
119¼	86¾	Exchequer 13½pc 1994	112⅜	−¼	12.28	11.86
115½	80⅛	Exch. 12½pc 1994	109¼	−¼	11.97	11.78
96⅛	66¾	Treasury 9pc '94‡‡	90½	−½	10.09	10.62
113¾	76½	Treasury 12pc '95	101¾xd	−¼	11.74	11.65
66¾	42⅝	Gas 3pc '90/95	63½	−¼	4.77	7.72
103¼	68½	Exch. 10¼pc 1995	92½xd	−⅜	11.04	11.35
116⅝	83¼	Treasury 12¾pc '95‡‡	109⅞	−⅝	11.61	11.54
127¾	86¼	Treas. 14pc '96	114¾xd	−½	12.15	11.70
97	66⅝	Treasury 9pc '92/96‡‡	91	−½	10.21	10.70
133	96	Treasury 15¼pc '96‡‡	126½	−½	12.33	11.70
120	86	Exchequer 13¼pc '96‡‡	114	−½	11.83	11.47
63¼	43⅝	Redemption 3pc 1986-96	60½	−¼	5.03	7.85
124	83½	Treasury 13¼pc '97‡‡	111¾xd	−½	11.81	11.49
105⅛	69⅝	Exchequer 10½pc 1997	98⅝	−⅜	11.11	11.27
94⅛	64	Treasury 8¾pc 1997‡‡	88½	−½	10.25	10.73
132¼	94¼	Exch. 15pc 1997	125¼	−½	12.28	11.78

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MINES—Continued

Central African

1982/83 High	Low	Stock	Price	+ or −	Net	Div. C'vr	Gr's
230	75	Falcon Rh.50c	230	+20	Q25c	10.3	6.2
33	18	Wankie Col. Z$1	18	......	†Q5c	1.2	9.3
21	12	Zam.Cpr.SBD0.24	20	+2	—	—	—

Australians

1982/83 High	Low	Stock	Price	+ or −	Net	Div. C'vr	Gr's
23	10	ACM 20c	18½	+1½	—	—	—
28	6	Argosy Gold NL 25c	11	......	♦—	—	—
151	54	Bond Corp.	68	+3	gQ10c	2.3	9.3
128	58	Bougainville I Kina	128	+5	‡Q6.71c	1.2	
238	147	CRA 50c	238	+15	‡Q5c	—	‡
30	10	Carr Boyd 20c	30	......	—	—	—
56	21½	Central Pacific	32	+1	—	—	—
380	152	Crusader Oil	280	+20	—	—	—
26	7	Cultus Pacific N.L.	11	+1½	—	—	—
27	7	Eagle Corp. 10c	12	+3½	—	—	—
23	8½	Endeavour 20c	11	+½	—	—	—
610	120	G. M. Kalgoorlie 25c	610	+15	hQ10c	ф	1.0
224	134	Hampton Areas 10p	224	+6	†3.0	2.8	1.9
32	10	Haoma N.W.	18	......	—	—	—
22	9	Intl. Mining	15	+1	—	—	—
36	2	Kalbara Min 20c	35½	......	—	—	—
10	5	Keywest Expl.	9	−1	—	—	—
116	30	Kitchener NL 25c	116	+4	—	—	—
190	92	Meekatharra 25c	140	......	—	—	—
44	15	Metals Ex. 50c	29	+2	—	—	—
50	15	Metramar Mins. 20cts.	28	......	—	—	—
50	15	Mid East Mins. A$1	18	−2	—	—	—
253	145	M.I.M. Hldgs. 50c	253	+15	Q5c	—	1.2
57	5	Mincorp 20c	10	......	—	—	—
0	2½	Minefields Expl. 25c	3	......	—	—	—
23	14	Newmetal 20c	23	......	—	—	—
30	8½	Nickelore N.L.	28	......	♦—	—	—
160	92	North B. Hill 50c	156	+12	Q6c	1.3	2.3
*84	10	Nth. Kalgurli	49	+1½	—	—	—
123	67	Oakbridge 50c	80	+2	Q7c	1.7	5.3
90	30	Otter N. L.	38	......	—	—	—
98	34	Pacific Copper	60	+2	—	—	—
150	68	Pancont'l 25c	96	+4	—	—	—
394	211	Peko-Wallsend 50c	394	+10	Q1.5c	—	0.2
31½	6	Pelsart Res NL	8	......	—	—	—
273	112	Renison 50c	183	+5	Q5c	—	1.7
205	105	Do. Dfd.	150	+5	—	—	—
58	30	Seltrust A	58	+2	♦—	—	—
27	8½	Southern Pacific	15	+1	—	—	—
46	16	Swan Resources 20c.	24	+4	—	—	—
11	2½	West Coast 25c	5	......	—	—	—
50	6	Westn. Cont 50c	22	+7	—	—	—
247	150	Westn. Mining 50c	238	+0	Q2.5c	ф	0.6
71	11	Whim Creek 20c	71	+1	—	—	—
30	6	York Resources	10	+1	—	—	—

Tins

1982/83 High	Low	Stock	Price	+ or −	Net	Div. C'vr	Gr's
255	135	Ayer Hitam $M1	175	......	Q95c	1.0	14.4
140	55	Geevor	83	......	—	—	—
12	9½	Gold & Base 12½p	10½	......	—	—	—
630	250	Gopeng Cons.	290	......	Z11.0	1.2	5.4
670	330	Hongkong	525	......	21.0	ф	5.7
24	13	Jantar 12½p	15	......	1.5	2.8	14.3
130	42	Kamunting $M0.50	100	......	†Q27½c	0.8	7.5
450	350	Killinghall $M1	450	......	♦Q60c	ф	3.5
98	43	Malaysia Mng. 10c	58	+1	vQ17.1c	1.6	7.8
42	20	Pahang	28	......	B‡0.63	0.8	‡
450	280	Pengkalen 10p	340	......	1.0	—	0.4
330	190	Petaling $M1	233	......	vQ60c	ф	6.8
200	130	Sungei Besi $M1	185xd	......	‡vQ185c	0.6	‡
55	25	Supreme Corp. $M1	40	......	♦‡Q3½c	ф	2.6
110	93	Tanjong 15p	93	......	93.5	ф	5.4
85	43	Tongkah H. Tin $M1	64	......	vQ5c	1.3	2.0
255	125	Tronoh $M1	190	......	†vQ50c	2.3	7.0

Miscellaneous

1982/83 High	Low	Stock	Price	+ or −	Net	Div. C'vr	Gr's
56	20	Anglo-Dominion	56	......	—	—	—
16½	11½	Burma Mines 10p	12	......	0.55	1.0	6.5
130	27	Colby Res. Corp.	85	......	—	—	—
330	170	Cons. Murch. 10c	330	+10	‡Q60c	1.9	‡
8	1½	‡‡Explaura Gold	4	......	—	—	—
127	55	Highwood Res.	127	+22	—	—	—
£36⅛	£25	Homestake Mining $1	£36⅛	+¼	Q40c	—	0.7
450	160	Northgate C$1	450	+20	—	—	—
520	344	R.T.Z.	520	+38	16.0	1.6	4.4
£119	£84	Do.9½%Cu.Ln.'95-2000	£119	+4½	Q9½%	23.9	†8.1
20	11	Sabina Inds. C$1	19	+2	—	—	—
44	27	‡Southwest C. 10p	38	......	♦—	—	—
500	270	Tara Expln. $1	450	+50	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ф Figures or report awaited.
- ® USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ‡ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xf ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	48	+2
Bertrams	17¢	......
Bdg'wtr. Est. 50p	465	......
Craig & Rose £1	£12¼	......
Finlay Pkg. 5p	31	......
Graig Ship. £1	£20	......
Higsons Brew	105	+2
Holt (Jos) 25p	870	......
I.O.M. Stm. £1	90	......
Pearce (C. H.)	£11	......
Peel Hldgs.	160	+3
Sindall (Wm.)	280	......

IRISH

Exch. 15pc 1983	£100½	......
Nat. 9¾% 84/89	£81½xd	......
Fin. 13% 97/02	£92⅞	......
Alliance Gas	115	......
Arnott	190	−5
Carroll (P.J.)	80	......
Concrete Prods.	53xd	......
Heiton (Hldgs.)	20	......
Ins. Corpn. Ireland	383	......
Irish Ropes	26xd	......
Jacob	86	−4
T.M.G.	95	......
Unidare	43	......

OPTIONS

3-month Call Rates

Industrials

Allied-Lyons	15
BOC Grp.	17
B.S.R.	6
Babcock	10
Barclays Bank	35
Beecham	35
Blue Circle	44
Boots	22
Bowaters	19
Brit. Aerospace	28
B.A.T.	50
Brown (J.)	4
Burton Ord.	24
Cadburys	11
Courtaulds	0
Debenhams	8½
Distillers	28
Dunlop	5½
Eagle Star	30
F.N.F.C.	4
Gen. Accident	30
Gen. Electric	24
Glaxo	90
Grand Met.	25
G.U.S. 'A'	50
Guardian	35
G.K.N.	15
Hawker Sidd.	30
House of Fraser	15
I.C.I.	24
"Imps"	16
I.C.L.	8
Ladbroke	16
Legal & Gen.	28
Lex Service	16
Lloyds Bank	35
"Lots"	4
London Brick	11
Lucas Inds.	12
"Mams"	12
Mrks. & Spncr.	16
Midland Bank	30
N.E.I.	9
Nat. West. Bank	38
P & O Dfd.	14
Plessey	50
Racal Elect.	45
R.H.M.	6
Rank Org. Ord.	15
Reed Intnl.	26
Sears	9
T.I.	13
Tesco	0
Thorn EMI	38
Trust Houses	15
Turner & Newall	4
Unilever	65
Utd. Drapery	7
Vickers	12
Woolworth Hld.	15

Property

Brit. Land	7½
Cap. Counties	12
Land Secs.	26
MEPC	17
Peachey	14
Samuel Props.	10
Town & City	3

Oils

Brit. Petroleum	26
Burmah Oil	12
Charterhall	5
KCA	8
Premier	4
Shell	35
Tricentrol	22
Ultramar	42

Mines

Charter Cons.	20
Cons. Gold	40
Lonrho	8
Rio T. Zinc	42

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Saturday January 8 1983

MAN IN THE NEWS

'Send for Davison!'

BY BARRY RILEY

IAN HAY DAVISON had what he describes as a "thoughtful" Christmas. On December 23 Lord Richardson, Governor of the Bank of England, had invited him round for a talk. It turned out that the Governor had a job offer in mind—the controversial post of chief executive at Lloyd's.

It was by no means the first time that the call "Send for Davison" had been heard in official circles. The 51-year-old senior partner of Arthur Andersen has had a wide variety of public posts, serving at one time as a member of the Price Commission, and conducting investigations into John Stonehouse's London Capital Securities and into the Grays Building Society collapse.

Already Mr Davison had been called in to do a lesser job for Lloyd's—a probe into the accounting and disclosure practices of the troubled insurance market.

To take on a full-time role at Lloyd's was, however, altogether a different proposition. Apart

Ian Hay Davison

from anything else, the senior partners of major accounting firms are some of the best remunerated people in the country.

But when the Governor asks, it is hard to say no. As Sir Peter Green, chairman of Lloyd's, put it this week: "I though the Governor would be more effective in obtaining his agreement than I would."

So after the holidays, Mr Davison accepted the job on Tuesday this week. But, typically, he did not ignore his bargaining power. His £120,000 salary reflects his insistence "that I should neither gain nor lose."

Moreover he swiftly moved to build a power base by gaining a seat on the ruling Council of Lloyd's and the title of Deputy Chairman—privileges which are not enjoyed by the chief executive of the Stock Exchange, for example.

Ian Hay Davison is well qualified for his new job, for he had extensive executive experience at Arthur Andersen as managing partner from 1966 until last year, and is not afraid of the limelight, having wide experience both of public speechmaking and dealing with the Press.

That makes him a very unusual kind of accountant, and one who has ruffled more than a few feathers in the profession during his build-up of the UK practice of Arthur Andersen—which is one of the American majors, but was insignificant in the UK until Mr Davison came along.

"Jealousy mixed with admiration" is how one leading accountant describes the common attitude to Mr Davison amongst his accountant peers. He is regarded as arguably the most aggressive and dynamic accountant to have emerged since Mr Henry (now Lord) Benson, once senior partner of Coopers and Lybrand, and now, perhaps significantly, closely involved in the Bank of England's dealings with Lloyd's.

Personally, he is a complex character, sometimes showing charm and a colourful turn of phrase, but he can also seem brusque and deliver a cutting phrase on occasion. He has a keen interest in the arts, having once been chairman of the Greenwich Theatre, and is presently chairman of the Trustees of the Monteverdi Choir and Orchestra. For many years until 1974 he was a Conservative councillor in Greenwich.

He retains one other controversial job, the chairmanship of the Accounting Standards Committee, where the future of inflation accounting is just one of the problems on the agenda. Mr Davison intends to fulfil this commitment on the basis of 25 per cent of his time, although there are some on the ASC who would not be surprised if there were soon to be discreet soundings to find a successor.

Brazil accepts conditions for £3bn IMF loan

BY ANDREW WHITLEY

BRAZIL has signed its letter of intent to the International Monetary Fund (IMF) to secure a three-year loan of about $4.9bn (£3.04bn).

It is also to receive $1.1bn from the IMF's compensatory financing facility to make up for export shortfalls.

Agreement with the IMF was the essential prerequisite for a major refinancing package being worked out with the commercial banks. This includes $4.4bn in new loans and a moratorium on $4bn principal falling due this year.

The published programme to be followed by the Brazilian Government over the next three years, in accordance with the IMF letter, calls for steep reductions in state sector investment, cuts in price subsidies on a range of basic commodities and services and a speeding up of Brazil's rate of mini-devaluations of the cruzeiro.

Reaction within Brazil to the IMF accord, reached in priciple in mid-December, has been muted, possibly because of the Christmas and New Year holidays. Details of how the austerity measures will affect the public have been released piecemeal, with the most sensitive domestic issue—a planned reduction in the real wage level—still undisclosed.

The IMF letter was signed in Brasilia on Thursday by Sr Ernane Galveas, Finance Minister, and Sr Carlos Langoni, the Central Bank governor.

Within hours of the publication of its terms, the agreement was severely criticised by Sr Severo Gomes, a senior Opposition politician and former commerce and industry minister. He said Brazil had "abdicated from command of the national economy."

He singled out for attack the aspect of the IMF-agreed programme whereby profit remittances abroad by foreign-owned companiea in Brazil will be eased. Heavy taxation on remittances of more than 12 per cent of a company's registered foreign capital have long been a source of grievance with the many multinational companies operating in Brazil.

Sr Gomes's broadside will have come as an unpleasant reminder to the Figueiredo Government that it *is* likely to face considerable opposition to its austerity programme from the new federal Congress when it convenes in March.

The opposition parties, which had advocated a full-scale renegotiation, or even moratorium, on repayment of Brazil's $90bn foreign debt, gained a majority in the Chamber of Deputies, the lower house of Congress in November.

Criticism is likely to centre on the recessive effects of the Government's programme on an already severely depressed economy. At best, Brazil's gross domestic product will show zero growth in 1982 after a significant fall in 1981.

Targets agreed with the IMF, as published in the letter of intent, include holding down the growth in the external medium- and long-term debt this year to $6bn, compared with a $16bn rise last year. In addition, a ceiling of 7,000bn cruzeiros (£17.18bn) in the global public sector deficit has been set.

The currency will be devalued by 12.7 per cent over the next year. But the tight tourniquet to be maintained on all imports should restrict its inflationary impact.

The Brazilian Government has agreed with the IMF to ease the squeeze it has maintained on domestic credit over the past two years. Details are expected to be finalised at next Tuesday's meeting of the National Monetary Council, the country's top economic policy body.

1,300 jobs to go at Halewood

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

FORD plans to cut 1,300 jobs at its body and assembly plant at Halewood, Merseyside.

The reduction represents one in seven of the plant's 9,700 hourly-paid workers.

The group hopes the cuts can be achieved by April through voluntary redundancies or early retirement. It is the first time, since mid-1979 when Ford began trying to improve productvity, that a car plant has been put under such pressure. But a similar scheme to reduce the workforce at the Langley truck plant by 300 from 2,200 was introduced in November.

A 35-year-old worker with ten years' service would draw £4,300 under the redundancy terms offered. A 60-year-old with 20 years' service would get £7,500.

Trade union reaction was of "concern and dismay." The meeting of the Halewood joint works committee at which the news was given was adjourned until Tuesday for the unions to prepare a considered response.

However, Mr Bill Broderick, district official of the Transport and General Workers Union, said it was "nonsense" to talk of redundancies when Halewood was producing Britain's best-selling car, the Escort.

"We will not accept any redundancies—even voluntary ones," he added.

Ford's action was apparently triggered because of its failure to achieve the reduction in the Halewood workforce it expected after introducing a company-wide non-hiring policy in mid 1979.

Total hourly paid jobs within Ford as a whole have fallen since then from 59,143 to 48,500 by the end of last year or by 18 per cent.

The drop at Halewood has been only 6.8 per cent, from 10,400 to 9,700. One obvious reason is the 19.8 per cent unemployment rate in the region and this is appreciably higher at the south end of Liverpool where the factory is situated.

However, Mr Ted Rayment, Halewood's operations manager told the unions yesterday that changes in attitudes were needed at the plant.

"There is no point in disguising the fact that what we are talking about is Halewood's survival. And that means changing the way of thinking and doing things that have produced the current situation," he said.

Mr Rayment added that Ford had invested the equivalent of $387m (about £242m) at Halewood between 1976 and 1982 compared with $277m (£172m) at Saarlouis in West Germany, a similar plant which also makes the Escort. It was unrealistic to expect Ford to look favourably on Halewood for any future capacity expansion when the existing capacity was under-utilised.

According to Ford, although Halewood is equipped to produce 1,015 Escorts a day, daily output throughout 1982 averaged only 721. The best daily average for any month was below 900.

Saarlouis's daily average, with a workforce of 7,300, had been 1,232 last year. The German plant produced 289,680 Escorts last year compared with 167,868 from Halewood—better than the previous two years but well below the peak 189,000 achieved in 1979.

Mr Rayment added: "Even if Halewood was producing at full capacity it would require a manpower reduction of about 3,000 in order to match the production efficiency of Saarlouis." But this was not a realistic scale of reduction in the short term.

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Honda and BL

during talks he will be having in Peking and Hong Kong. The Chinese Government has recently let it be known that it is going ahead with the project.

Framatone of France is believed to be the front runner to win orders for the nuclear work, with GEC obtaining £500m orders for turbines and Balfour Beatty £100m orders for transmission equipment. The 1,800 MW station would be built in partnership with China Light and Power of Hong Kong which might take an equity stake to help in financing arrangements.

The Schroder Group is organising finance for the project which would involve the Bank of China and the UK's Export Credit Guarantee Corporation.

The future of the project is bound up with long-term relations between Hong Kong and China because financial viability depends on Hong Kong buying 60 per cent of the electricity it produces in the mid-1990s.

Continued from Page 1

Korf seeks protection

restructuring problems of the industry. Finally, however, the long-depressed market conditions caught up with Korf group.

A major question-mark hangs over the future of the U.S. operations. They are independently financed by international banks but, like the German business, have suffered from the fierce competition in the world steel industry and the slump in prices.

The U.S. company recently disclosed that it plunged into the red last year. It has been seen by some senior executives in the West German headquarters, in Baden-Baden, as one of the group's biggest headaches.

Herr Korf, who enjoys a high lifestyle, frequently pointed out that the company was based in Baden-Baden, famous for its spa and casino, because the town was close to its Kehl steel plant.

UK 'prepared to sign Soviet peace pact'

By David Tonge, Diplomatic Correspondent

BRITAIN is prepared to sign a non-aggression pact with the Warsaw Pact, although it is not sure how useful it would be, Mr Francis Pym, the Foreign Secretary, said yesterday.

He also said he was prepared to consider eventual modifications to Nato's "zero option" proposals for the elimination of intermediate-range nuclear missiles from Europe.

Mr Pym, who was speaking in two radio interviews, gave what was the most detailed Western reaction so far to the peace proposal.

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Lucas

joint project with Ducellier, the company's French associate.

Many components suppliers, faced with weak domestic and foreign demand, are again looking closely at possible production cuts.

The industry has warned the Government that any significant move by BL to switch orders overseas, as BL has said it might, would lead companies to pull out of particular products and close factories.

Water workers reject 4% pay offer

BY JOHN LLOYD, LABOUR EDITOR

BRITAIN'S 29,000 water workers have voted by four to one to reject a 4 per cent pay offer and have odpted for industrial action.

The three unions in the industry—the General, Municipal and Boilmakers Union, the National Union of Public Employees and the Transport and General Workers Union—meet in 10 days to decide on joint action.

A special executive council of the GMBU — the dominant union—meets on Wednesday to vote on the position to be adopted by its representatives at the joint union meeting.

It is widely expected to vote for strike action, but it may recommend area-by-area action rather than an all-out strike.

It appears likely that negotiations between the unions and the National Water Council could restart before industrial action is called. Water employers said last night they would be willing to negotiate on their 4 per cent offer if the unions were prepared to drop their insistence that they attain the "upper quartile" of manual workers' earnings.

The Advisory Conciliation and Arbitration Service is likely to contact the unions in the next few days. The unions have rejected the employers' attempt to put the offer to arbitration, saying it would have to be improved first.

The Government intervened in negotiations in November to impose a 4 per cent limit at a time when the employers were preparing a 6 per cent offer. However, the employers now believe the Government will allow genuine negotiations, and arbitration, if the unions show flexibility.

Bank chief resigns in 'business romance'

By Bernard Simon and William Hall

ONE OF South Africa's most widely publicised and controversial business romances culminated yesterday in the resignation of Mr Bob Aldworth, chief executive of Barclays National Bank, the biggest bank in South Africa and Barclays' most important overseas subsidiary.

Last month Mr Aldworth, aged 51, admitted that a "close personal relationship" had developed with 36-year-old Dr Sandra van der Merwe, a forceful outspoken business school lecturer, who has been a consultant to Barclays National Bank (56 per cent owned by Barclays Bank International) for the past three years.

Dr van der Merwe's influence within the bank, particularly on its advertising and marketing policies, had grown to the point where it was resented by many employees and outsiders.

Last September, Barclays National Bank bought a 70 per cent stake for R1.4m (£805m) in a new joint venture called Barclays, Sandra van der Merwe and Associates (Barsan). The intention was to develop a company offering services with little connection with Barclay's banking activities, such as public relations, marketing and a travel agency.

It is understood that Barclays' lawyers in South Africa have been instructed to find ways of extricating Barclays from its involvement with Dr van der Merwe's venture.

In South Africa Barclays National Bank said Mr Aldworth had "requested early retirement and that the board has regretfully acceeded to his request."

In London, Barclays Bank said Mr Aldworth's resignation was entirely a matter for the board of Barclays in South Africa. Whatever steps thought necessary by them have been taken, the bank said.

Mr Aldworth was one of the first South Africans to head Barclays' South African operations. Under his direction, Barclays National Bank's profit performance has outstripped that of Standard Bank, its main rival. Given Mr Aldworth's relative youth it had been suggested that he might be promoted to a more senior position in the Barclays Bank group, the sixth biggest bank in the world. His predecessor, Mr Frank Dolling, is now a vice-chairman of Barclays Bank.

Mr Colin Waterson, aged 58, senior general manager of Barclays National Bank, who had been tipped for the top post before Mr Aldworth was appointed in 1976, is to take over as chief executive. Mr Christopher Ball, aged 41, has been appointed deputy managing managing director

Weather

UK TODAY

MAINLY dry. Sunny periods. Temperatures near or above normal.

London, SE, E and Central England
Dry. Sunny periods. Max 8C (46F).

Rest of England, Wales, I.o.M., Channel
Cloudy. Rain later. Max 10C. (50F).

Moray Firth, NE and NW Scotland, Orkney, Shetland
Rain. Gales. Snow on hills. Max 7C (45F).

Rest of Scotland, N Ireland
Rain later. Gales. Max 8C (46F).

Outlook: Rain in the North. Dry in the South.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	14	57	London	S	9	48
Algiers	F	16	61	L. Ang.†	Fg	11	52
Amsdm.	S	7	45	Luxmbg.	F	4	39
Athens	S	13	55	Luxor	S	20	68
Bahrain	S	16	61	Madrid	Fg	4	39
Barclna.	C	12	54	Majorca	S	17	63
Beirut	C	16	61	Malaga	S	18	64
Belfast	S	4	39	Malta	F	15	59
Belgrd.	F	11	52	Mchstr.	C	6	43
Berlin	C	6	43	Melbne.	S	26	79
Biarritz	C	9	48	Mx. C.†		—	—
Bmghm.	C	6	43	Miami†	C	16	61
Blackp'l	R	4	39	Milan	Fg	5	41
Bordx.	F	11	52	Montr'l†	C	−1	30
Boulgn.	F	8	46	Moscow	C	2	36
Bristol	R	8	46	Munich	C	2	36
Brussels	S	7	45	Nairobi	F	24	75
Budpst.	Fg	4	39	Naples	F	11	52
Cairo	F	17	63	Nwcstl.	S	6	43
Cardiff	C	8	46	N York†	C	4	39
Casbca.	F	16	61	Nice	F	14	57
Cape T.	S	33	91	Nicosia	C	13	55
Chicg.†	F	−1	30	Oporto	C	10	50
Cologne	S	7	45	Oslo	S	4	39
Cpnhgn.	S	5	41	Paris	S	8	46
Corfu	S	16	61	Perth	S	25	77
Denver†	C	7	45	Prague	R	5	41
Dublin	C	5	41	Rykjvk.	Sn	−6	21
Dbrvnk.	S	15	59	Rhodes	C	14	57
Ednbgh.	C	5	41	Rio J'o†		—	—
Faro	F	17	63	Roma	C	12	54
Florence	C	12	54	Salzb'g	C	11	52
Frankf't.	S	6	43	S'ciscot†	C	4	39
Geneva	C	8	46	Singapr.	R	29	84
Gibrltr.	S	18	64	S'tiago†		—	—
Glasg'w	S	4	39	Stckhm.	C	4	39
G'nsey	F	10	50	Sydney	S	26	79
Helsinki	C	4	39	Tangier	F	15	59
H. Kong	R	18	64	Tenerife	C	19	66
Innsbr'k	C	2	36	Tokyo	C	10	50
Invrnss.	Sn	3	37	Tor'nto†	R	2	36
I.o.Man	S	6	43	Tunis	F	16	61
Istanbul	S	8	46	Valencia	F	13	55
Jersey	F	9	48	Venice	C	5	41
Jo'burg	F	26	79	Vienna	F	5	41
L. Plms.	S	20	68	Warsaw	C	9	48
Lisbon	Fg	14	57	Zurich	R	6	43
Locarno	Fg	2	36				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sn—Snow.
† Noon GMT temperatures.

THE LEX COLUMN

Natural resources break ground

It has not been a good week in which to take an extended New Year's holiday. While gilts have been unsettled by sterling's continued weakness, events in the equity market have been action-packed. The FT All-Share index recorded a series of all-time highs from Wednesday. And on Thursday the value of equity turnover reached a record, with a figure of £314m.

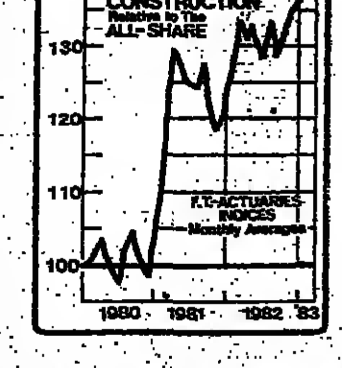
Nor is the activity confined to London. It looks suspiciously as if fund managers round the world have opened their clean 1983 diaries and, with U.S. economic recovery in mind, have taken a hard look at the cyclically depressed sectors. The consensus view on 1983 outperformance seems to have fixed on the resource stocks, and in particular oils, which have been lying idle in recent months after the excitement of the late summer.

Oils have seen some of the heaviest buying in the last two days. Here London seems to be following the lead set by Wall Street, where the sector has risen by a tenth over the week. If anything spot oil prices have drifted lower in the same period, so it looks as if Wall Street must have been discounting an actual price cut at the recent Opec conference and has greeted the disarray with relief. Nevertheless, if the cartel cannot solve its internal political differences, pricing pressure is set to intensify dramatically in the spring with the seasonal fall in demand. The excitement surrounding oil is also puzzling in the context of sterling's weakness. Political jitters may be one explanation for the fall in the pound, as well as the drain on reserves in December.

Meanwhile, gold broke decisively through the $460 level yesterday, with an $11¼ jump in London to $465¼. A weak dollar, jewellery demand outstripping new supply and falling interest rates all play into the hands of the bulls, and the gold mines index is now implicitly assuming that the bullion price will move above $500 in the near term. Already platinum and palladium have moved ahead sharply on the back of the gold performance, and the silver price is showing signs of itchiness.

With the exception of copper, the price performance of the base metals has remained flat in dollar terms. But the expectation of an economic recovery in the U.S. this year has had a galvanising effect on mining house prices round the world. In Canada the metals index is a quarter above the level in mid-December, while the Australian mining index has also been performing well. But then, New Year rallies are by no means uncommon in resource stocks, and have a way of petering out in the spring if economic hopes do not materialise.

Index rose 5.9 to 621.0



Contractors

Overseas contracting has gone through a long retreat from the golden era of plush Middle East-generated profits, but all the latest signposts point to a cautious resurgence of interest among British companies. Even Tarmac, which has been lying lower than most following its Nigerian troubles five years ago, has recently ventured forth and picked up a hospital contract in Algeria; and Cementation's £215m deal for a new university in Oman has brought back a strong whiff of the good old days.

The renewed effort overseas, however, is of a very different character from that which emerged out of the petro-dollar recycling period. Recent official figures, which show a big jump in the industry's export orders to March 1982, also underline a marked shift towards the U.S., with orders up by 84 per cent to £434m. This trend underlines the scramble for a market with a low political risk; but at the same time it is a reminder that, in tendering elsewhere overseas, the big contractors are accepting heavy exposures.

While the risk element may not be a new one, it is true that the industry is now having to shoulder its way through a particularly uncertain patch. Quite apart from the critical shortage of finance in the developing world, and the intensifying pressure on margins as contractors from throughout the industrialised West seek to replace reduced domestic business, low cost competitors like the Koreans are forcing British companies towards more sophisticated contracts. These may be areas where they have something special to offer, and where they can drive harder bargains; but they are also deals which can go wrong more easily than an office block in Reading.

The profits exposure of the big contractors in these markets was masked to some extent by the 40 per cent rise in the contracting and construction index last year. This buoyant performance, however, was due largely to the medium size companies, which have been producing better profits, and which may have further to go in any reflation-inspired upswing in the industry this year. For the major international groups, the market seems to be discounting both tight overseas margins and difficulties in adjusting to the switch away from big domestic projects to renovation work.

Raybeck

Bournes' closing down sale has developed into the retail world's equivalent of the "Mousetrap." It has just entered its second year but sadly for Raybeck, Bournes lacks the money spinning ability of Agatha Christie's plot. Indeed the department store is slowly bleeding the company dry.

When Raybeck bought Bourne and Hollingsworth in 1978 its boast was that it had become one of the largest traders in the West End. Yet the group's timing has proved hopelessly amiss. It got into Bournes just as Oxford Street trading peaked and arguably it was expanding in the wrong end of the street anyway. The sceptics' fears that Raybeck lacked the management weight to tackle a loss making department store have proved painfully correct.

Mounting losses at Bournes and a downturn in its existing clothing retailing and manufacturing businesses have dragged Raybeck all the way down from peak profits of £7.76m in 1978-79 to losses of £781,000 in the six months to October 1982. Net cash of £6.6m has drained away in under three years and Raybeck is borrowing from the bank. But it is not total gloom. The manufacturing operations have been slimmed down and some of the larger lossmaking stores have been sold. With property profits and a bit of luck Raybeck could be in profit for the year as a whole. There might be a dividend. But sorting out Bournes is the key and a market capitalisation of £11m at 30p suggests that the market is not convinced that the company can succeed.